Austria ... Sch. 15	Indonesia ... Rp 2500	Portugal ... Esc 65
Bahrain ... Din 0.650	Italy ...... L 1100	S. Arabia . Rls 6.00
Belgium ..... BFr 35	Japan Y550	Singapore . S$ 4.10
Canada..... C$2.50	Jordan ... Fils 500	Spain ...... Pta 95
Cyprus ... Mils 600	Kuwait .... Fils 500	Sri Lanka ... Rup 30
Denmark .. DKr 7.00	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt ..... E£1.00	Luxembourg . LFr 35	Switzerland . SwFr 2
Finland .. Fmk 5.50	Malaysia .. Rm 4.25	Taiwan ... NT $85
France ... FFr 6.50	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.00	Morocco .. Dh 6.00	Turkey .... L 160
Greece ..... Dr 60	Netherlands . Fl 2.25	U.A.E. .... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. [illegible]

Thursday September 29 1983

D 8523 B

Reagan prepares his Chinese overture, Page 16

NEWS SUMMARY

GENERAL

Andropov rejects Reagan's new bid

Soviet leader Yuri Andropov rejected U.S. President Ronald Reagan's latest proposals for curbing intermediate range nuclear missiles and accused Washington of trying to win time to deploy its own arms.

Mr Reagan had told the United Nations General Assembly on Monday that the United States would forgo siting of Pershing and cruise missiles in Europe from December, and would negotiate on reducing numbers of nuclear weapon-carrying aircraft if the Soviet Union reduced its medium-range missile force in Europe.

Mr Andropov, speaking in Moscow, said the Soviet Union would respond appropriately to any disturbance in the strategic balance.

In Paris, France's President François Mitterrand is reported to have reservations about the U.S. proposals, apparently believing it would be wrong not to insist on a cut in Soviet SS-20s.

Lebanon setback

Hopes of progress in Lebanon were set back when Druze militia said they would regard the reopening of Beirut airport as a violation of the ceasefire.

Israel called on the Druze to eject the Palestine Liberation Organisation guerrillas. Page 18

Thatcher: man held

Toronto police laid five charges against a man who broke out of a crowd of anti-nuclear and Irish Republican protesters and lunged at visiting British Prime Minister Margaret Thatcher.

Soviet jet off course

Britain's ITN television said a Soviet Aeroflot jet flying from Cuba to Ireland last week was 60 miles off course – due to the kind of navigational error the Soviets say the South Korean jet they shot down could not have made.

Labour plans switch

Britain's Opposition Labour Party leaders will ask the party conference next week to adopt important policy changes. Likely areas for a new stance are on defence, economic strategy and EEC membership.

Sudan arrests

At least 11 leading opposition leaders in Sudan, including former Premier Sadiq al-Mahdi, have been arrested, according to Khartoum reports. Page 7

Changes in Kenya

Five ministers and 12 deputy ministers lost their seats in Kenya's one-party election. With six results still to come, there are already 57 new MPs in the 153 seats. Page 7

Irish jewels hunt

Following up detailed information, police have launched a hunt for the Irish crown jewels, worth at least I£2.3m ($2m), and stolen from Dublin Castle in 1907, long before Ireland became independent from Britain.

Going home

Twenty Portuguese hostages released by Unita guerrillas in Angola were on their way home via Johannesburg.

Briefly...

Brussels: More than 100 protesters were arrested outside a military exhibition.

Burma's former Minister for Home and Religious Affairs Bo No was jailed for life for a $1,225 fraud.

Calcutta: Police arrested several hundred demonstrators in West Bengal.

BUSINESS

Vauxhall faces all-out strike

● VAUXHALL, the UK subsidiary of General Motors of the U.S., faces an all-out pay strike by its 14,500 manual workers from tomorrow night after votes by its Luton and Dunstable plants. Union leaders at Ellesmere Port, Merseyside, will ask their members to join it. Background, Page 11

● FRENCH financial experts see renewed weakening of the franc as putting more pressure on the Government to tighten price controls in order to check inflation. Yesterday the franc fell to a record low of DM 32.915 per FFr 100. Page 3. Currencies, Page 41

● DOLLAR fell to DM 2.644 (from DM 2.6505), FFr 8.0175 (FFr 8.0425), SwFr 2.131 (SwFr 2.1405) and Y236.8 (Y238.05). Its Bank of England trade-weighted index fell from 127.8 to 127.2. In New York, it closed at DM 2.6482, SwFr 2.134, Y236.92 and FFr 8.0175. Page 41

● STERLING rose 15 points to $1.499, but fell to DM 3.965 (DM 3.9725), FFr 12.015 (FFr 12.045), SwFr 3.1975 (SwFr 3.21) and Y355 (Y357). Its trade weighting fell from 84.4 to 84.2. In New York, it closed at $1.5001. Page 41

● GOLD rose $0.75 in London to $413.375. In Frankfurt it rose $1.25 to $413.5, and in Zurich it closed $1 up at $413.5. The Comex October settlement was $411 ($413.9). Page 40

● LONDON: FT Industrial Ordinary index moved up 2.9 to 696.9. Some Government securities showed marginal falls. FT Share Information Service, Pages 35–37

● WALL STREET: Dow Jones index closed 6.00 down at 1,241.97. Report Page 31, full share listings, Pages 32–34

● TOKYO: Nikkei Dow index pushed up 31.17 to another new high, 9,445.32, and the Stock Exchange index was up 1.75 to 694.37. Page 31. Leading prices, other exchanges, Page 34.

● STOCKHOLM: Bourse is expected to tighten registration controls today following several scandals.

● AMERICAN Chamber of Commerce has backed foreign government calls to end unitary taxes imposed by 13 U.S. states. Page 7

● U.S. MERCHANDISE trade deficit reached a record $7.19bn in August, from $6.36bn in July.

● CHINA'S 1983 grain output is expected to beat the 1982 record of 353.4m tonnes.

● UK COMPANIES are expecting orders worth about £85m ($127.5m) for open-cast coal-mining equipment from India, after the signing of an aid agreement in New Delhi.

● SINGAPORE plans to allow employers to spread the 44-hour week over seven days to help productivity.

● GROWTH in financial futures trading is accelerating the globalisation of financial markets, Mr Thomas Strauss, managing director of Salomon Brothers, U.S. investment bankers, told an FT conference in London. Page 22

● RICE: Efforts to solve a dispute between the U.S. and Taiwan over Taiwanese subsidised exports have foundered. Page 40

COMPANIES

● ERBAMONT, the company set up in May to handle the drug and health-care interests of Italian chemical group Montedison, reported a first-half net profit of $12.8m. Page 19

● GILDEMEISTER, West Germany's biggest machine tool maker, is to increase its stake in rival Pittler from 24 per cent to 75 per cent. Page 19

Reagan sets date for China visit as relations improve

BY MARK BAKER IN PEKING AND REGINALD DALE IN WASHINGTON

President Ronald Reagan will visit China next April, Mr Caspar Weinberger, the U.S. Defence Secretary, said in Peking yesterday. Mr Reagan's visit will follow that of the Chinese premier, Zhao Ziyang to the U.S. in January.

Confirmation of this top-level exchange comes after a significant warming in Sino-U.S. relations over the past two months, underlined by Mr Weinberger's visit to China this week.

In Washington, the White House said that the talks between Mr Reagan and Zhao would continue a dialogue on a wide range of bilateral and international relations.

It would be the first visit of a Chinese Prime Minister to the U.S. and the first visit of an American President to China since the establishment of formal diplomatic relations between the two countries in January 1979. The last U.S. President to visit Peking was Mr Gerald Ford in 1975.

The White House said that there were no plans for Mr Reagan to visit Taiwan during his forthcoming Far Eastern trip in November, in which he is due to visit Japan, South Korea, the Philippines, Indonesia and Thailand.

Officials said that the Chinese Government would not have invited him to Peking if he had included Taiwan on his itinerary.

Mr Reagan has had a standing invitation to visit China from the Chinese leader, Deng Xiaoping, since November 1980.

While it has been known for several months that the visit was likely to take place early next year, the timing had been left open, largely because of a series of disputes between the two countries.

Relations improved markedly after the settling a long-running row over U.S. quotas on Chinese textile exports, and the U.S. decision to allow China greater access to high technology.

It is a measure of that change that Peking has agreed to receive Mr Reagan in April, before the U.S. presidential election, a move likely to be interpreted as Chinese endorsement for Mr Reagan's re-election.

Deng and Zhao, however, both stressed in their talks with Mr Weinberger yesterday and today that continuing U.S. support for Taiwan remains the biggest obstacle to further improvement in the realtionship.

Deng said the Sino-U.S. relationship had moved through a tortous course in the past three years and "the crux of the matter is the Taiwan issue."

"It is important to enhance contacts and increase mutual understanding, but it is more important to remove fundamental obstacles and solve substantive matters," he said.

Mr Weinberger will hold further talks with China on the sale of U.S. weapons systems, including anti-aircraft and tank defence systems. But he ended his three-day visit to Peking yesterday without specifying how much military equipment the U.S. was prepared to sell, or how much China was interested in buying.

He said there had been intensive discussions among officials on the

Continued on Page 18

Background, Page 16

Regan warns IMF over long-term financing

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN WASHINGTON

MR DONALD REGAN, the U.S. Treasury Secretary, yesterday affirmed his support for the work of the International Monetary Fund (IMF) but warned that it must remember its original character as a provider only of short-term funds.

In his formal address to the fund's annual conference in Washington, he said: "Some believe that the U.S. position on IMF and World Bank issues at this meeting reflect a lack of support for these institutions. Nothing could be further from the truth."

Mr Regan strongly seconded the promise which President Ronald Reagan made on Tuesday that Congress would be urged to push through legislation required to increase the U.S. quota subscription to the fund from next year.

He added, however: "The current financial strains affecting the fund underscore the need for the IMF to husband its scarce resources."

He also said it was important to reaffirm the IMF's traditional role as a source of temporary balance of payments financing.

His remarks reflected growing anxiety among some factions in Congress and within the Administration that the fund was providing for the long-term capital needs of debtor countries.

Mr Regan, however, was buoyantly optimistic about the prospects for world recovery, which he said was being led by the U.S. economy.

He said: "We are in the midst of an historic transitional phase now, and it is by no means over. We are seeing low inflation and significantly lower interest rates.

"So, rather than another traditional cycle of recession to recovery, I think we are witnessing a more fundamental change – moving us on to a solid new foundation that can sustain real growth and improve the standard of living throughout the world."

He saw three fundamental differences between the present recovery and those of earlier periods:

● Countries were now prepared to forgo short-term expediency in the interests of long-term stability;

● Growth at present was not accompanied by a resurgence of inflation;

● Many countries, particularly in the Third World, were prepared to make substantial adjustments to the problems of low commodity prices, debt and the inadequacies of their earlier policies.

Mr Regan acknowledged the general anxiety about the high U.S. budget deficit and its effect on interest rates, but pointed out that interest rates were now at only half their peak levels in 1981.

He said there was recent evidence that, despite high nominal and real interest rates, "private investment growth will be coming on earlier in this recovery than is historically normal."

He added: "If we were to reduce sharply our fiscal deficit by raising taxes, as some have suggested, this would indeed stifle the recovery."

Mr Regan warned of several threats to the world's renewed economic health, including the tendency for protectionist pressures to increase, temptation to pursue lax monetary policies for short-term reasons, and the looming uncertainty of international debt problems.

"British recovery under way," Page 5; a suggestion on world debt, Page 17

Sainsbury buys $20m stake in U.S. food store chain

BY CARLA RAPOPORT IN LONDON

J. SAINSBURY, Britain's biggest food retailer, is making its first foray into foreign markets with the $20m purchase of a minority stake in Shaw's, a U.S. food store chain located in New England.

Shaw's, a privately owned company, has 41 food stores in the states of Massachusetts, New Hampshire and Maine. Last year, the company recorded sales of $640m and pre-tax profits of $17m. Over the past four years, sales and earnings per share have grown by more than 20 per cent per year.

Mr David Sainsbury, finance director, said yesterday that the purchase had grown out of the company's continuing interest in the U.S. food retailing business. Shaw's is advanced in applying computer technology to the food business, and Sainsbury hopes to benefit from the small company's expertise.

"We might have been happier with buying a stake in a larger U.S. company," said Mr Sainsbury yesterday, "but this is a particularly well run regional group. In general, regional chains do extremely well in the U.S."

The agreement between the two companies calls for a minimum purchase of 20 per cent of the outstanding stock of the family-owned company for $20.1m in cash. The company has the right to increase this stake to 25 per cent and may buy further shares if they become available. The purchase consideration will be financed by U.S. borrowings.

Sainsbury has been expanding rapidly in recent years in the UK, opening new supermarkets at the rate of 15 to 17 a year. The company emphasised yesterday that its main investment strategy would remain focused on the UK.

The company has also been among Britain's most profitable. In 1977, the group reported pre-tax profits of £26m on sales of £663.7m. Last year, those figures reached £89m in profits and £1.95bn in sales. The group's retail margin last year was 4.4 per cent, about twice the UK industry average.

LTV buys Republic Steel for $600m

By Terry Dodsworth and Paul Taylor in New York

LTV, the third largest U.S. steel company, is to take over Republic Steel in an agreed bid worth about $600m.

The combination of the two companies, which have both been big loss makers over the last 18 months will create a new giant to be called LTV Steel ranking just behind U.S. Steel, the biggest in the U.S. industry, in terms of shipments.

The announcement of the merger came late yesterday after board meetings of both companies which ended 24 hours of speculation caused by the suspension of LTV's and Republic Steel's share trading on the New York stock exchange on Monday.

Armco, the leading U.S. steel and energy company, announced a major corporate restructuring involving the sale of coal properties to Peabody Holding and its oil and gas offshoot to Strata Energy; substantial changes are also planned in Armco's steel operations. Page 19

Under the terms of the planned acquisition, Republic Steel's shareholders will receive 1.5 LTV shares and 0.3 shares of a newly created cumulative convertible preferred stock for each one Republic Steel share. The 5 per cent preferred stock will be convertible into 1.22 LTV shares. Republic Steel has 17.8m shares outstanding.

Republic's reported book value was $81.26 a share at the end of June, but the shares have traded as low as $13¾ in the past twelve months. When the shares were suspended LTV's share price was $18 and Republic's share price was $26½.

Mr Raymond Hay, LTV chairman and chief executive, announcing the deal yesterday said that he did not believe Federal anti-trust laws would pose a threat to the deal.

He added: "While there are significant opportunities to optimise facilities, the two companies had no specific plans selling off parts of the business. However Wall Street analysts believe the merger of the two companies will be followed by some rationalisation of overlapping facilities

While the two companies have a fairly complimentary product range in sheet, speciality steels and pipe, LTV also has a significant oil field equipment business

Lex, Page 18; Creusot-Loire breakup, Page 19

Airbus likely to suffer twin setback

BY OUR FOREIGN STAFF

BOEING of the U.S. appears set to win important new orders from Japan Air Lines (JAL) at the expense of the European Airbus Industrie consortium, whose order book has taken a battering as a result of the slump in the airline industry.

At the same time, Eastern Air Lines, the only U.S. customer for Airbus, announced that it would not take delivery of the last four Airbus A-300s it has ordered "because of Eastern's financial difficulties," Mr Bernard Lathière, Airbus's chief executive, said yesterday.

Eastern this week threatened to seek the protection of courts under Chapter 11 of U.S. bankruptcy laws if its 37,500 employees refuse to take a 15 per cent pay cut. Under Chapter 11, companies continue to operate but are given court protection from their creditors while they restructure.

The Japanese airline is expected to announce today which new generation of aircraft will replace its ageing fleet of McDonnell Douglas DC-8 aircraft. The announcement might points to orders worth several hundred million dollars, with further orders to follow.

JAL would only say yesterday that the decision awaited the signature of the company's president, but aviation officials in Tokyo believe the decision will favour Boeing.

It will put to rest a hotly contested battle between Airbus, offering the A-300 or the A-310, Boeing, the 767, and McDonnell Douglas the MD100. McDonnell Douglas is seen a having only an outside chance.

An Airbus official in Tokyo said he understood an executive meeting had been called for today and that all important opinions of the Ministry of International Trade and Industry and the Transport Ministry had already been delivered.

JAL has said that commercial considerations would be the key to its decision and that it intended to rely on one supplier.

The airline's initial order may be for no more than four or five new aircraft. The 767 and the two Airbus models are valued at about $60-$65m each, according to prospective 1986 prices. It is possible that JAL will order additional 747s – it is already the world's largest operator of 747s, with a fleet of 42, with seven more to be delivered in the next 18 months.

Both Mrs Margaret Thatcher, the British Prime Minister, and President François Mitterrand of France have pressed the Airbus case personally on Japanese government officials visiting Europe.

At the same time, Japanese acquisitions of U.S. aircraft have emerged as a quick way of reducing the country's trade surplus with the U.S.

TWA parent may hive off airline

BY TERRY DODSWORTH IN NEW YORK

TRANS WORLD, the U.S. airline and hotel group, is to give "detailed examination" to proposals to hive off its TWA airline in a separately quoted company after a report by the Goldman Sachs Investment Banking Group.

The decision results from intensive lobbying for a split of the company by Odyssey Partners, a Wall Street investment group earlier in the year. Odyssey claimed that Trans World, which also owns Hilton International and a mixture of food and real estate, would be more valuable to shareholders as separate units.

At a shareholders' meeting in May, Odyssey's suggestions for the dismemberment of Trans World received the support of about 23 per cent of eligible votes, but the Trans World board, which had vehemently opposed the split-up, claimed victory. Goldman Sachs, however, was asked to look at options for enhancing the group's value to shareholders and presented its report earlier this month. The Trans World board said yesterday that if it voted to proceed with a separation plan, the group would seek shareholder approval at a special meeting later this year or early next.

The group holds 81 per cent of TWA, which recorded a $108.9m pre-tax loss in the first half of this year. Last year, TWA ran up pre-tax losses of $44.5m, but the rest of the Trans World group has been consistently profitable, making $45.6m before tax in the first six months of 1983.

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CONTENTS

E. Germany lowers its border guard

BY LESLIE COLITT IN BERLIN

WEST GERMAN border police said yesterday that East German army engineers are continuing to dismantle the automatic shrapnel weapons mounted on the final metal border fence to West Germany. Some 1,500 of the weapons which were first installed in the early 1970s to stop East Germans escaping, have been removed from a total of 54,000 such devices along the border, according to the West German Interior Ministry.

A spokesman said the Government has received indications that all the automatic weapons are to be removed along the 1,346 km border. This will not render the border more "permeable," however. The automatic weapons — designed to wound escapers in the legs with a shower of shrapnel — have been removed along 10 kms of the border.

West German border police had earlier suggested that the weapons might be scheduled for replacement with newer ones. However, West Berlin's mayor, Herr Richard von Weizsaecker, said he was told earlier this month by President Erich Honecker, that they would be done away with.

East European officials in East Berlin say that persistent rumours are circulating in the western border areas of East Germany that border guards have been given orders not to fire on people escaping but to shoot over their heads. Such rumours, even if untrue, quickly gained credence because of the lack of information from East German media.

Newspapers in East Germany did not mention the elimination yesterday of the border exchange fee for children up to 14 years of age entering from the West. The East Europeans said this was because the West German spokesman had previously said that East Berlin would inform Bonn in a note about the humanitarian measure.

They point out that East Germany is extremely sensitive to any suggestion that it must inform West Germany about measures it takes, and decided not to publish the move in the Press.

W. German union pressure for shorter work week

By John Davies in Frankfurt

THE BATTLE over union demands for a 35-hour working week is building up in West Germany. After months of warnings, IG Metall, the biggest union, is giving three months' notice that it will cancel contracts laying down a 40-hour week in the steel and metal manufacturing industries.

This places some 4m workers on a collision course with employers and with the Bonn Government. But while the union has warned that strikes are possible, its leaders are aware that the climate of opinion and economic circumstances may limit the scope for militant action.

Employers claim that a 35-hour week would raise industry's costs by about 18 per cent, undermining efforts to recover from recession and regain expert markets.

IG Metall is clearly leaving room for manoeuvre, as it has been vague about next year's wage demands. This has raised speculation that it may contemplate a reduction in real wages to obtain a shorter working week.

More jobs

Herr Hans Janssen, the IG Metall official in charge of wage policy, has estimated that a 35-hour week would help cut unemployment by creating more than 250,000 jobs in metal industries. If workers in all industries won a 35-hour week, it would create as many as 1.2m new jobs, he said.

The propaganda war will intensify early next month when IG Metall holds its annual conference. First negotiations with employers are expected in mid-December.

A breakthrough to a shorter working week was made earlier this year when IG Chemie won the progressive introduction of a 36-hour week for chemical workers aged 58 and over.

Sparks fly in Poland over Marxism row

By Christopher Bobinski in Warsaw

A FIERCE ROW among Poland's Marxists over the Eurocommunist views of Professor Adam Schaff, one of the country's leading philosophers, could spill over into a forthcoming Communist Party central committee meeting and lead to hard-line attacks on the policies of Gen Wojciech Jaruzelski, the country's military leader.

Professor Schaff, an executive committee member of the Club of Rome, has published this year several articles questioning fundamental tenets of orthodox Marxist thought. These are sure to raise eyebrows in Moscow. They have also caused fury among doctrinaire thinkers here, who responded with a wave of critical articles, many of them implicitly critical of the Polish leadership for permitting the professor to air his views in public.

With the next central committee meeting devoted to ideology fixed for October 14, the party theoretical journal, Nowe Drogi, has criticised Professor Schaff's views in an article designed to dampen the debate and deflect further hard-line criticism from the leadership.

Nevertheless, the professor has already managed to voice in print the view that the Russian Revolution in 1917 was premature, if Marxist predictions were to be taken seriously, and that the attempt to build socialism in under-industrialised countries remained at the root of many problems in Eastern Europe.

He has been a Communist Party member since 1932. He spent the Stalinist period as a stern arbiter of Marxist orthodoxy and is still bitterly remembered for this by many

Three plans to cure UK payments malady

EEC scientists concoct new budget formulae

For eight years European Community relations have been soured by the dispute over British budget payments John Wyles in Brussels explains the three different plans and assesses whether they are likely to please Mrs Thatcher

IN THE early spring, the 12th floor of the European Commission's headquarters in Brussels echoed to a cry of "Eureka," heralding the discovery of "modulated VAT." In London and Copenhagen bureaucrats celebrated the invention of respectively the "safety net" and the "convergence fund."

All three formulae claim to be the cure for the malady which has soured Britain's relations with the Community for the past eight years. All aim to provide a more durable and less politically inflammatory means of cutting down Britain's net payments to the EEC budget than the agreement which has operated since 1980. All three have now been cast into the negotiating pot from which EEC foreign and finance ministers hope to extract an acceptable brew to put before the Community heads of government summit in December.

The EEC's member states now acknowledge that a solution to the British budget problem must be a key element in any Package of Agreements. Without such a solution, together with some economies in farm spending, there is no chance of Mrs Thatcher, the British Prime Minister, agreeing to raise the ceiling on the Community's budget revenues, no matter how close it may be to bankruptcy.

In their search for a new formula the bureaucrats were handicapped by the need to work backwards. To have some chance of being accepted the formula needed an element of intellectual respectability and hence they had to lean heavily upon relative Gross National Product figures and EEC budget shares.

There are four basic questions which these formulae have to answer to provide the basis for a final deal.

● **By how much should Britain's net payments to the EEC budget be reduced?**

Commission officials have estimated that the modulated VAT formula might reduce the UK's net payments — which were 2.036bn European Currency Units before adjustment last year—by between a third and a half. The British doubt this, however, and say the reduction in 1982 under this formula would have been around a quarter, or just under 500m ECU—compared with the 1,100 ECU rebate the UK has secured.

Denmark's convergence fund according to Copenhagen would have yielded a net reduction in 1982 of around 600m ECU.

Britain's safety net proposal offers no arithemetic—the size of Britain's net payments would depend entirely on how the plan was fleshed out

● **What should be the basis for fixing Britain's payments?**

Since 1980 the UK's net payments to the EEC have been reduced through political negotiation by about two thirds.

But the cuts have been arbitrary in the sense that no real criteria have been employed to fix an appropriate contribution.

The principle behind modulated VAT is that Britain pays more to the EEC than she should because agriculture takes a huge slice of total Community spending—between 65 per cent and 70 per cent. Britain pays around 20 per cent of these farm costs but receives only around 11 per cent of farm spending.

The Commission's approach seems to reduce the amount Britain has to pay to finance the Common Agricultural Policy by bringing its contribution more in line with the relative wealth created by British agriculture and the overall prosperity of the country.

The convergence fund draws its name from its alleged purpose of contributing to convergence in economic development in the Community, although it is solely directed at the UK budget problem. A confusing idea, it does not act directly on Britain's contributions to Brussels but tries to reduce the budget burden through special payments like those of the past three years. These would attempt to bring the UK's share of budget spend more into line with the proportion of GNP the Community spends through its budget. through its budget.

The safety net takes a very firm stand on equity and ability to pay. All member states whose GDP is below the EEC average should, in principle, be guaranteed to receive more from the budget than they pay in. This would take care of Portugal which otherwise will be a net contributor to Brussels. Those with above average wealth—the UK, Germany, France, the Benelux countries and Denmark—should have precise limits put on their liability to the EEC budget.

The limit would depend on how much wealthier than average the country is. The British have suggested that where any member state proved to be 40 per cent above average, then its net payments should not be greater than 0.3 to 0.4 per cent of GDP.

● **Should any budget changes be made to help West Germany?**

Yes, says the Commission, whose plan would make a slight reduction in German payments. The UK plan offers a great deal to stabilise West German payments, which are the largest in the EEC. The Danes, however, are strongly opposed to putting any cap on West German budget payments.

● **Should there be any time limit on a budget deal?**

Yes, say the Danes, who propose a five year life for the convergence fund. The Commission's modulated VAT would cease to apply once farm spending fell to 33 per cent of the total EEC budget while the British safety net would apply in perpetuity.

In the early Ministerial discussions, most interest has been shown in the Danish plan because it is shortlived and relatively cheap. The UK rejects it for both reasons and also because it will continue the annual wrangling with the European Parliament over special spending on the UK.

The final agreement, whenever it is reached, could embody elements of all three.

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77	1077	1977	3177	3977	4777	6977	8177	10077	11277	12177	12877	13977	17977	19077	
277	1177	2177	3277	4077	5677	7177	8277	10277	11377	12477	12977	14077	18177	19177	
377	1477	2877	3377	4277	6177	7377	9577	10577	11577	12577	13077	14677	18677	19277	
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EUROPEAN NEWS

Fall of French franc adds to pressure for tighter price curbs

BY DAVID HOUSEGO IN PARIS

THE FRENCH franc weakned again yesterday, putting fresh pressure on the Government to tighten price controls in order to hold down the inflation rate.

The franc slipped marginally against the D-Mark to touch a record low of FFr 3.038. It has lost 7 per cent in value against the D-Mark since September 13 when the present downward slide began. It is still a good way from its pivot point of FFr 3.066 within the EMS, however.

The renewed weakening has been mainly due to the decline in the dollar which has in turn pushed up the D-Mark. It comes at a time when the confirmed August price figures have shown that the government's 8 per cent inflation target by the end of the year is now out of reach without additional measures. Prices rose 0.6 per cent last month implying an inflation rate of 9 per cent or over

With the gap between France's inflation rate and that of its main trading partners running at 4-5 per cent, any slippage in the target is bound to add to the pressure on the franc.

It will make it more difficult for the Government to prevent additional wage claims this year and to lower the level of settlements in 1984. It will also make it harder to reduce interest rates and hence the cost of servicing the Government's domestic debt.

For these reasons, the administration has been considering tightening price controls. One step in this direction was the recent decision to freeze until the end of the year the dollar/franc parity used to calculate petrol prices.

M Jacques Delors, the Finance Minister, is however, reluctant to go further for fear of further squeezing company profits and hence investment.

A survey of industrial opinion published by the official statistics institute yesterday shows that industrialists expect production to continue to fall in the coming months.

New U.S. hope over talks on non-nuclear forces

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE 10-year-old talks to reduce Nato and Warsaw Pact conventional forces in Europe open again in Vienna today amid U.S. hopes of an improved dialogue between the two sides.

Mr Morton Abramowitz, leader of the U.S. delegation to the Mutual and Balanced Force Reduction (MBFR) talks, told the U.S. Congress earlier this week that formidable obstacles to an agreement in Vienna remained.

However, he noted that shifts in the positions of both East and West at the talks over the last year had enlarged the areas of possible agreement. In particular there were now new opportunities for "probing and for much improved dialogue between the sides" on what verification measures should accompany future European troop reductions.

The MBFR talks which opened in October 1973, involve 12 Nato and seven Warsaw Pact countries. Their aim is to reduce the numbers of non-nuclear forces in the Benelux countries and West Germany and in East Germany, Poland and Czechoslovakia.

The talks have been stymied over two key issues. While both sides agree that the forces of each side should be reduced to 900,000, they do not agree on the "data" on which such reductions should be based. There have also been major disagreements on verification.

Mr Abramowitz told the Senate Foreign Relations Committee that he saw little progress on the data issues but considerably more flexibility from the East on verification, although the West remained uncertain whether the East was "willing to accept the kind of verification measures we consider necessary."

Mr Abramowitz said he thought there were irreconcilable differences in the approach of East and West to MBFR, although these need not preclude an agreement. "The West seeks to develop an agreement very strictly, attempting to regulate in every detail in order to reduce uncertainty.

"The East on the other hand tends to apply a bread political brush to the problem and is willing to go along with a degree of uncertainty and a lack of clarity which we find unacceptable."

French union group backs nuclear disarmament

BY OUR PARIS STAFF

FRANCE'S pro-Socialist CFDT labour confederation has decided to back the European campaign for nuclear disarmament and oppose the deployment of U.S. missiles in Europe.

But the large French union sought immediately to keep its distances from the French Communist Party which together with the pro-Communist CGT labour confederation has been the only French political party to campaign actively against U.S. missile deployment in Europe.

The CFDT decision is significant in that it shows the union's concern not to allow the rival CGT to capitalise on its role among the labour rank and file as the champion of the peace movement.

At the same time, the CFDT is anxious to ally itself to the European pacifist and French Christian movements to avoid the risk of being accused of endorsing the Communist inspired peace movement in France.

The deployment of U.S. missiles in Europe at the end of this year in the event of the collapse of the current Geneva negotiations is a key issue dividing the French Socialists and the Communists, both partners in the current Left-wing French coalition Government.

Unions challenge Spanish plan for steel cutbacks

BY TOM BURNS IN MADRID

UNIONS and management of the troubled state-owned integrated steel plant, Altos Hornos del Mediterraneo (AHM), yesterday gave sharply divergent views at a Madrid meeting on the future of the plant which is located at Sagunto, near Valencia.

The Sagunto plant, which the Government has earmarked for closure, is seen as a test case for Spain's controversial industrial reorganisation programme. About half of AHM's 4,000 labour force is shortly due to be redundant under the plans.

The Communist-led Comisiones Obreras Union, which is the dominant force at the plant, called for a Pta 16bn ($70m) investment to improve port facilities at Sagunto. This was a direct challenge to the Government's decision last July not to make any further major investments in the plant.

Industry Minister Sr Carlos Solchaga had earlier claimed that 1,100 jobs could be created in the Sagunto area by new industries by mid-1985. These industries are believed to involve a fertiliser plant and an automobile component factory.

An AHM union leader, however, said that such alternative jobs were unacceptable and that new employment opportunities in the area should aim to ease existing unemployment.

'No vote' call by Turkish party

By Our Ankara Correspondent

TURKEY'S main centre-right party, the Correct Way, which is barred from entering November's general election, has urged followers not to vote for the three parties allowed to run.

All three had served the present Turkish Government, it said, and "should take responsibility for making life intolerable" for ordinary Turks.

The party said it had been deprived of its constitutional and legal right to enter the election but blamed the electoral council rather than the ruling generals.

"The CWP believes that the grave problems facing Turkey can only be solved by the appearance of a Turkish grand national assembly elected on free and equal terms in the contest between political parties which are the indispensable elements of democracy," it said in a statement from party headquarters.

This looks like a calculated affront to President Kenan Evren as even the merest hint of criticism of the Government is prohibited. The party leader, Mr Yildirim Avci, appears to have chosen his words adroitly, however, avoiding even an indirect allusion to the military's role.

Greece pulls out of Nato manoeuvres

By Andriana Ierodiaconou in Athens

GREECE yesterday pulled out of a big Nato naval and air exercise in the eastern Mediterranean, accusing the alliance of giving way to Turkish pressures to exclude the Greek Aegean island of Limnos from the exercise plan. The island is midway between the Greek and Turkish coasts and its militarised status is a matter of bitter controversy between Athens and Ankara.

The part of the exercise involving Limnos was called off this week apparently after Greece claimed a diplomatic victory over Turkey. Since coming to power the Greek Socialists have refused to participate in exercises excluding Limnos.

Greece, meanwhile, has again refused to allow U.S. bases in the country to relay military supplies to Lebanon. A U.S. warship has been denied permission to collect ammunition for delivery to Beirut from the Souda base

● Bonns yesterday criticised the U.S. army for rehhearsing mass burials of battlefield casualties during Nato manoeuvres in West Germany last week, AP reports.

Sindona bank trial opens

By James Buxton in Rome

THE TRIAL began in Milan yesterday of those accused over the crash in 1974 of Michele Sindona's Italian bank. Sindona, however, is not being tried as he is serving a jail sentence in the U.S.

The 25 men are accused of fraud in connection with the bankruptcy of Banca Privata Italiana. Fourteen were in court yesterday, others are on the run.

Sindona himself is serving 25 years in connection with the collapse of his U.S. bank, Franklin National. The Italian Ministry of Justice is preparing a new extradition treaty with the U.S. allowing people in jail there to come to Italy temporarily to stand trial, but it is not ready.

Drugs safety call

THE Council of Europe parliamentary assembly urged its 21 member nations yesterday to impose better safety standards on pharmaceutical products exported to the Third World, AP reports from Strasbourg. Its recommendation was based on a report citing numerous instances in which drugs have been sold to developing countries without the warning labels required for the domestic market.

Lisbon readies public sector law

BY DIANA SMITH IN LISBON

THE PORTUGUESE Government has begun work on the law which will reopen banking, insurance, and cement and fertiliser manufacturing to private capital.

The Socialist-Social Democrat coalition is determined to reduce the public sector created by the nationalisations of the 1975 revolution, and plans to have the law on the statute book by the end of November.

The Bank of Portugal, meanwhile, has sent its draft of a comprehensive banking law to the Finance Minister. This law, which will replace 25-year-old legislation, will establish the basic rules for nationalised and private banks, including their minimum capital requirements. Details are not yet clear but the minimum capital provision could exceed $10m.

Once the banking law is passed, new institutions, either Portuguese or foreign, may apply to set up wholesale or retail operations. More than 20 international banks have representative offices in Lisbon but only about half have declared their intention of seeking to establish full operations.

There are signs that the degree to which foreign banks have participated in loans to Portugal will weigh on the authorities' decision to authorise a handful of new foreign banks. These will join the long-standing operations of the Bank of London and South America, Credit Franco-Portugais and the Banco do Brasil, which were untouched by the revolution.

AMERICAN NEWS

UK recovery holds lessons for world, says Lawson

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN WASHINGTON

MR NIGEL LAWSON, the UK Chancellor of the Exchequer, yesterday told the world's financial leaders that Britain was experiencing an economic recovery, the strength of which had confounded critics of the conservative Government's strategy.

He told the annual meeting of the International Monetary Fund (IMF) in Washington that the lessons of the British achievement should be noted worldwide.

It showed that "powerful forces" unleashed by lower inflation, lower interest rates and lower labour costs could regenerate activity without the need for government stimulus.

Britain's economy has been growing at an annual rate of 2½ to 3 per cent, since the bottom of the recession in the first half of 1981.

"This compares favourably with our long-run pre-recession trend. And unemployment, although still tragically high, is starting to level off," Mr Lawson claimed.

This growth had been achieved, inspite of the fact that world trade had been depressed and Britain needed a four-year period of tight policies to bring inflation down from around 15 per cent in the 1970s to the present annual rate of around 5 per cent.

Mr Lawson said: "The long upward trend of rising inflation rates from one cycle to another has been decisively broken."

He added: "Some observers in the UK used to argue that such a recovery was impossible without government stimulus. So far from that being the case, economic recovery in the UK can now be seen to have started in the immediate wake of my predecessor's courageously tough budget of 1981."

"Now the critics argue that the recovery is not sustainable; that it is unbalanced, and that inflation is bound to rise again ... I believe they are wrong on all counts."

Mr Lawson told the assembled representatives of 146 nations that he was confident the British recovery would change gear after the initial acceleration provided by consumer spending and stock changes into a second phase of increased capital investment. This should be helped by the "very substantial increase" in company profits last year.

He added: "As for the critics' concern that UK inflation would rise with economic recovery, the fact is that there is no sign so far of re-emerging inflationary pressure, even though the recovery has already been under way for two years."

The international lesson which Mr Lawson pointed up was that government stimulus had in the past generated inflationary pressure because it had been applied on top of forces for recovery which were already powerful.

At a press conference before his address, Mr Lawson said he had found an "astonishingly broad measure of agreement" about economic policy among the Ministers and central bankers attending the meeting.

He identified six main conclusions from the UK experience:

● Tight strategies work and do not stifle growth;
● Perseverence is needed;
● A harmonious balance between fiscal and monetary policy must be attempted;
● Firm financial strategies help countries to withstand international shocks;
● Recovery is helped by liberalising industry, giving a free rein to market forces; and
● The last UK general election result showed that tough policies, if clearly explained and understood, could be politically acceptable.

On the future management of the world debt crisis, Mr Lawson said efforts should now be made to find ways of lengthening debt maturities in future years. This was needed to avoid a report of recent rescheduling problems in a few years' time when a "very considerable hump" of debt is due to mature.

In addition, he said poorer countries should explore the possibilities for attracting more long-term capital from private sources in place of short-term debt.

He also suggested that more emphasis would need to be placed on the contribution of the World Bank.

Mexico starts talks on new loan for next year

BY PETER MONTAGNON IN WASHINGTON

MEXICO today begins talks with its commercial bank creditors on a new loan of between $3.5bn and $4bn to satisfy its financing needs for 1984.

The talks come amid speculation among Bankers at the International Monetary Fund annual meeting in Washington that the rapid turn-round in the country's financial position since last year's acute payments crisis could lead to an improvement in the terms it will receive from the banks.

Last winter Mexico raised a $5bn loan over 6 years with a margin of 2¼ per cent over Eurodollar rates or 2⅛ per cent over U.S. prime.

Mr William Rhodes, the Citibank senior vice-president who heads the banks' negotiating committee, declined to comment on the likely margins but did hint that there could be some reduction.

"I believe that the spreads finally agreed upon for next year's Mexican Government financing should reflect the progress that Mexico has made during the past year," he said.

Mr Rhodes cited Mexico's ability to repay $560m in private sector interest arrears between now and the end of the year as evidence of the country's improved position.

"If any demonstration is needed of the success of the Mexican programme, the ability of Mexico to make this payment is the proof," he said.

Half of the arrears are to be paid this week, and the balance before December 15.

Previously they had been expected to be rolled up into a new loan for the Mexican Government.

Argentina set to draw on credit

By Peter Montagnon in Washington

ARGENTINA'S Central Bank governor, Sr Julio Gonzales del Solar, has asked the country's bank creditors for a first drawing on October 4 of $500m (£333m) on Argentina's recently arranged $1.5bn credit.

Bankers attending the International Monetary Fund meeting in Washington say that Argentina has fulfilled all the conditions needed for the drawdown except for the final elimination of some interest arrears on its foreign debt.

The drawing on the $1.5bn credit should be followed on October 17 by a repayment to the banks of $300m owed on the $1.1bn bridging loan arranged for Argentina by its commercial bank creditors earlier this year.

These payments should not be affected by a court decision in Argentina earlier this week criticising the recent signing of a $220m rescheduling agreement for the state airlines, Aerolineas Argentinas.

International Monetary Fund Annual Meeting

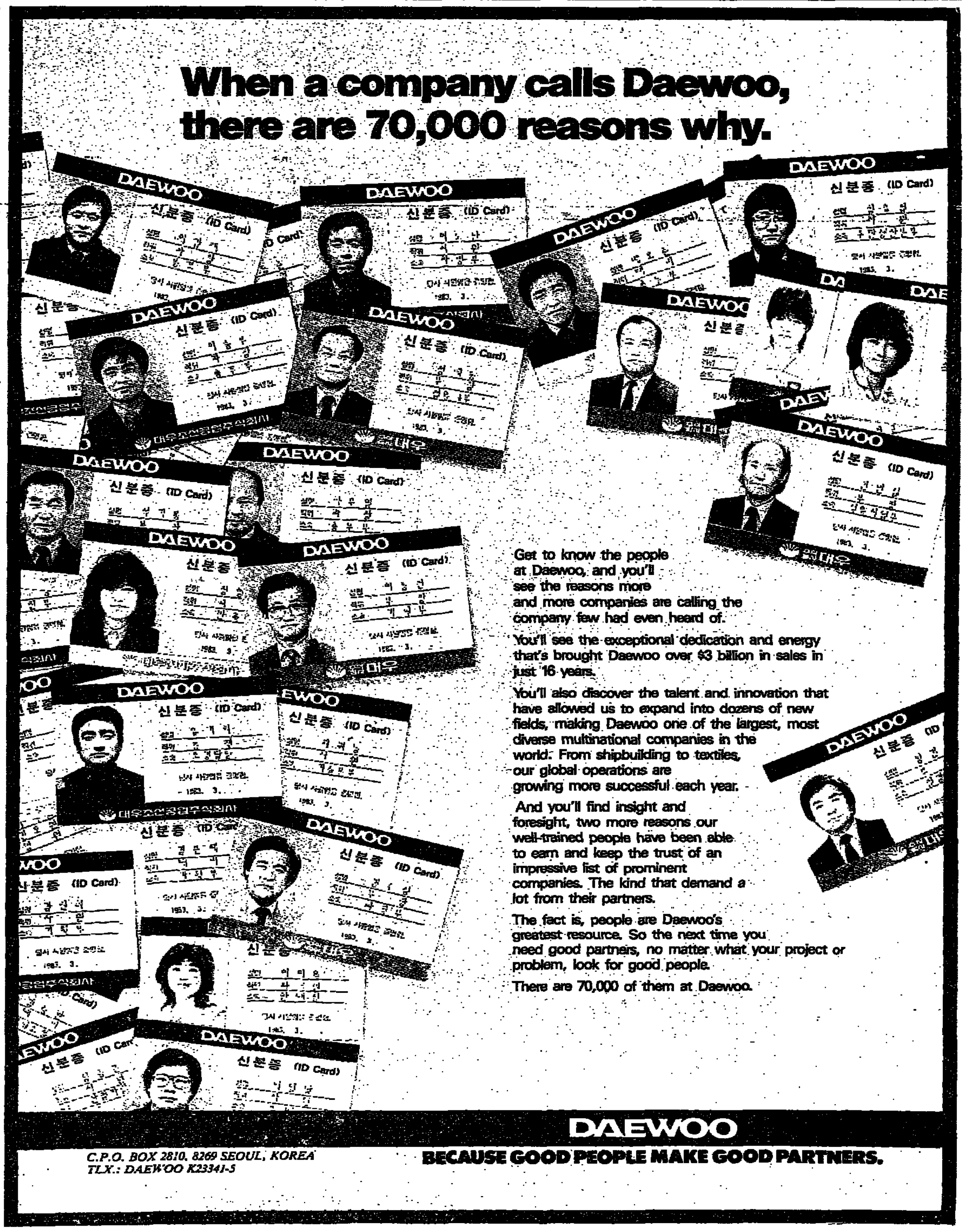
Herzog voices concern

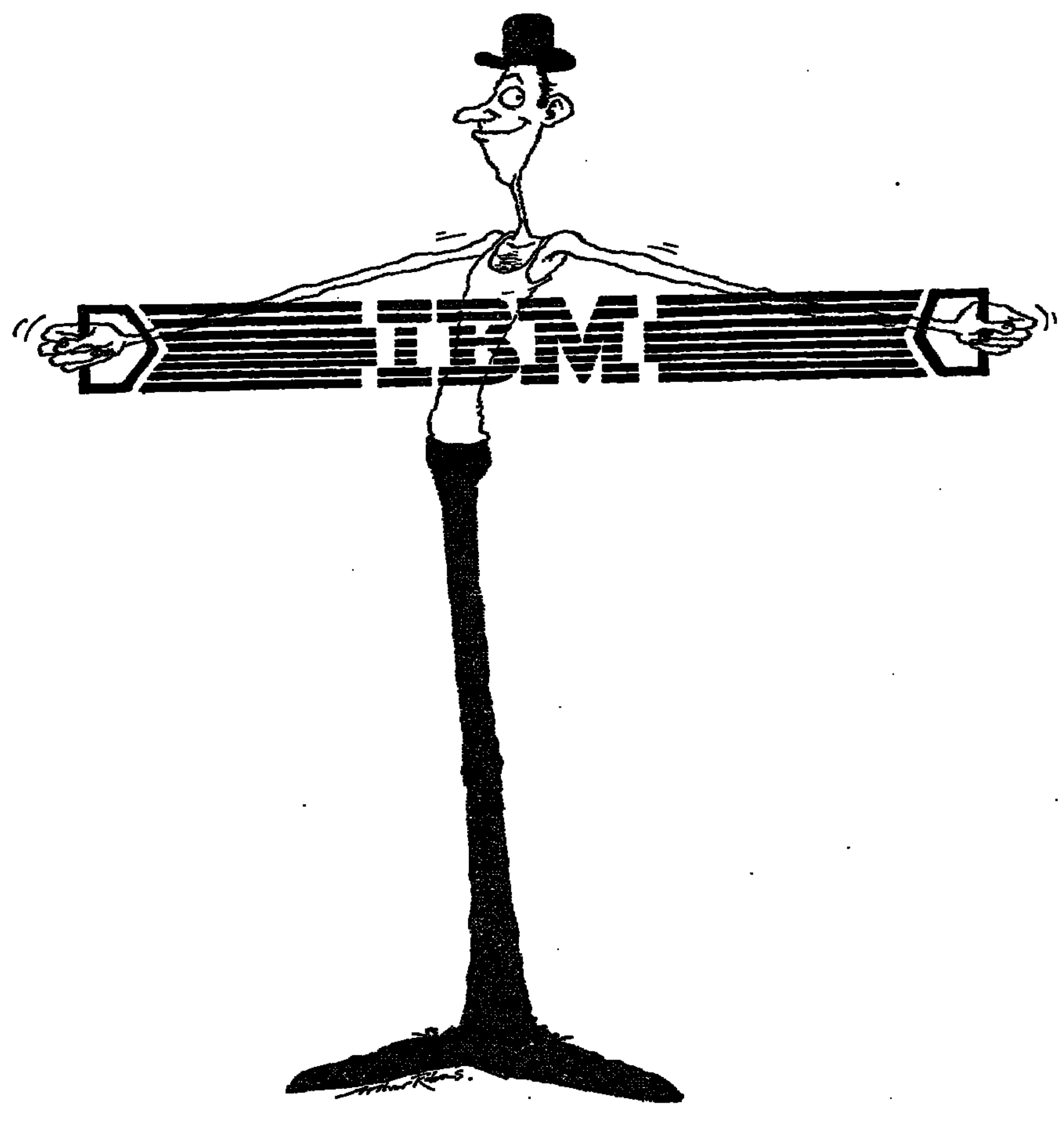
By Max Wilkinson in Washington

Mexico's Finance Miinster Sr Jesus Silva Herzog, yesterday told the International Monetary Fund's annual meeting in Washing ton of the anxiety of Latin American countries about the resistance of some industrial countries to providing enough money for the Fund.

"We are in a new stage in international financial relations. In the past months we gained time. We have overcome acute liquidity crises, and the policies adopted by the international financial community have been essentially defensive

Sr Herzog said the debt problem would cocntinue for some time and said it was necessary for all parties to share the responsibility of learning to live with it.





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Economy tops Thatcher-Reagan talks agenda

BY STEWART FLEMING IN WASHINGTON

EAST-WEST relations and the world economy are likely to be at the top of the agenda when Mrs Margaret Thatcher meets President Ronald Reagan for lunch at the White House today. Mrs Thatcher was due to arrive in Washington yesterday for a crowded three days of talks with U.S. Government officials.

Thatcher . . . crowded programme

Mrs Thatcher's recent election success, and the rapport she has already established with Mr Reagan has assured her of an enthusiastic welcome from an Administration which draws comfort from the fact that its own tough stance against the Soviet Union is broadly mirrored in London.

In the meeting with President Reagan, but also in the discussions she is to have with other top officials, including Mr Donald Regan, Treasury Secretary, Mr Paul Volcker, Federal Reserve chairman, and Senate leaders, Mrs Thatcher is expected to raise a number of contentious issues, especially in the economic sphere.

President Reagan's efforts last week to defuse the "unitary taxation" issue — under which taxes, levied by some 13 states, are collected from some foreign multinationals on earnings they make outside the U.S. — will probably not spare him from some stern words on the topic.

The issue, while apparently dear to Mrs Thatcher's heart, did not take up much of the President's bedtime reading schedule until the Prime Minister's imminent arrival loomed on the horizon. Last Friday Mr Reagan announced the setting-up of a working party to study the issue.

British and European leaders see the question in part as another example of the extra-territoriality of some U.S. laws which have long soured relationships from time to time, notably on the question of exports of pipeline equipment to the Soviet Union.

The role of the gaping U.S. budget deficit in forcing up U.S. and world interest rates is also likely to prove a contentious point.

In a curtain-raising interview on U.S. television last Sunday, Mrs Thatcher left no doubt that she differs sharply from the President on this point.

Mr Reagan, for his part, has publically backed Mr Donald Regan, Treasury Secretary, who has been maintaining that the deficit is not currently linked directly with the level of U.S. interest rates.

British officials have also been making it clear during the past few days at the International Monetary Fund's annual meeting that they do not entirely share the tight-fisted approach which the U.S. has adopted to financing the IMF and the World Bank.

Mr Reagan's strong support for the IMF on Tuesday will have eased some fears.

Venezuela raises oil prices

VENEZUELA has raised the price of its heavy crudes by 69 cents to $21.25 a barrel, officials of the company's office in New York said yesterday, Reuter reports. The price changes will take effect from October 2.

The price changes effect oils from an API gravity of 20.6, or moderately heavy, to 10.0, or very heavy.

The 20.6 gravity oil, known as cabinas, was raised by 69 cents a barel to $25.72 a barrel. The 10.0 gravity oil, Boscan, was raised $1.25 to $21.15 a barrel.

Costs row threatens AT&T break-up

By Paul Taylor in New York

THE PLANNED break-up of American Telephone and Telegraph's (AT & T) Bell telephone operating companies appears set to become embroiled in a major congressional controversy over the question of local telephone charges.

Earlier this week a Senate committee tentatively approved legislation which would delay a plan approved by the Federal Communications Commission (FCC) and supported by AT & T, to impose telephone "access fees" on residential and business users.

The access fee plan is part of a process to end the subsidisation of local telephone calls by long-distance charges. The fee would be paid to local telephone companies to cover the cost of providing access to long distance telephone lines.

Under the FCC plan, local residential telephone customers would face a $2 a months. Business customers would begin by paying $6 a month.

However, the access charge plan—a key part of the AT & T divestiture scheme which will separate AT & T from it 22 local Bell telephone operating companies on January 1—is fiercely opposed by a powerful lobby comprising consumer groups, local authority representatives and others who fear that the imposition of the access charge will make telephones too expensive for millions of people in rural America.

The Senate committee, responding to these concerns, provisionally supported the drafting of a Bill which would impose a two-year moratorium on the introduction of access charges.

A separate House committee was expected yesterday to begin drafting a separate bill.

However, any delay in approving the access charge scheme could have serious consequences for AT & T and the divestiture.

AT & T, which rejects accusations that the scheme would make telephones too expensive for the nation's poor, considers that some of the Bills now before Congress upset the very basis on which the divestiture plan has been agreed.

Economic medicine is hard to swallow, reports **Andrew Whitley** in Rio de Janeiro

Brazilians fear cure is worse than disease

"FOR THE first time in our lives, people of my generation cannot see the way forward. We have lost our sense of progress and development," commented a senior official in the Brazilian Foreign Ministry.

This sort of uncertainty is reflected throughout society. Marcos, a waiter at a popular downtown restaurant in Rio de Janeiro, says: "We are prepared to make sacrifices, but I don't understand where they are going to lead."

Brazil's debt crisis has coincided with a bewildering lack of leadership from its withdrawn and isolated President, General Joao Figueiredo. Brazilians are willing to make allowances for the fact that he is recovering from a second major heart operation, but the contrast between the frequently irritated, uncommunicative man of today and the backslapping populist of the election hustings a year ago is striking.

Gen Figueiredo still sticks by Sr Antonio Delfim Netto, his all powerful Planning Minister, but the latter, considered a miracle worker a decade ago is now blamed personally for having led Brazil into what is widely regarded as an unnecessarily severe crisis. Neither Gen Figueiredo nor Sr Delfim Netto are offering any fresh hope to dissipate the gloom.

Black humour abounds as Brazil's belt-tightening is felt across the board. A few months ago when the BNH, the state housing bank, announced a 130 per cent increase in monthly payments, it was promptly labelled "Brazil's neutron bomb"—it killed people while leaving their homes intact.

The recent wave of looting attacks on suburban supermarkets in the drab northern reaches of greater Rio sent shudders of alarm throughout the city. The former capital has always been terrified of the prospect of starving, armed mobs descending from the shanty town "favelas" perched on the hills above the city's chic areas on to their unprotected homes.

The April riots in São Paulo by unemployed industrial workers died away as quickly as they had started and so did the disturbances in this city. But last week's attack by 500 women on a food co-operative in San Miguel in north-eastern Brazil and the continued lootings have not helped settle fears. The unrest might be the tip of an iceberg which will gradually show itself as the IMF medicine is forced down over the coming months, many people feel.

It is this uncertainty which makes the Government and the industrial barons so uneasy. In the past the Brazilian social fabric has been able to take the strain of temporary recessions or natural disasters, but in today's climate of participation by all classes, not just the landed and urban elite, popular reactions are much more difficult to predict.

Nor can they be controlled easily without resorting to the repression which the military-led Government says it has left behind. President Figueiredo had personally resisted any real reduction in salary levels—as the IMF demanded for seven months — believing it would jeopardise the relative tranquility he and the rest of the military regarded as essential if they were to withdraw to the barracks.

Delfim . . . blamed for crisis

When the crunch came in the IMF negotiations in July, the President felt it necessary to convene an unusual meeting of the National Security Council, packed with his top generals, to approve the wage limitation legislation which would break the deadlock with the Fund.

The controversial salary proposal, Decree law 2045, has become the main target of criticism for an unprecedented and unlikely seeming coalition of interests.

Industrialists feel it will depress demand by more than the saving in their costs: economists argue that it is both socially unfair and largely symbolic in the fight against inflation: while trade unionists are pledging to take all-out strike action if it is passed by Congress —itself an unlikely prospect judging by the present mood of Government and opposition politicians.

Emasculated by nearly two decades of military rule, the Congress elected at last November's general elections has shown a surprising degree of independence of the Figueiredo Government. But while it may be slowly recovering its lost prestige, the executive still holds all the cards.

On paper the combined opposition parties have a small majority in the Chamber of Deputies, but in practice most Congressmen, from both houses, are opposed to the salary law and unconvinced on the wider issue of the IMF austerity programme.

Last month the Partido do Movimento Democratico Brasiliero, the main opposition party, presented its alternative way out of what is increasingly seen as both an economic and a political crisis.

Masterminded by Two prominent Left-wing intellectuals, Sr Fernando Henrique Cardoso and Sr Celso Furtado, the PMDB's programme calls for direct Presidential elections in a year's time, the holding of a constituent assembly to clean up Brazil's heavily amended constitution, a total break with the IMF, and a 25-year moratorium on foregin debt payments.

The programme was well received, but the PMDB, a broad church coalition of disparate, often conflicting, opinions, has failed to capture the public's imagination over the economic crisis. The opposition parties may be able to call Sr Delfim and other Ministers to account in Congress, but so far they have not shown themselves able to or perhaps even willing to mobilise public opinion against the IMF's recipes for Brazil.

Last month's virtual failure of a national trade union congress confirmed the employers in their view that labour action is currently not a serious threat to production. The disappointing outcome of the planned countrywide "day of action" against the IMF in July was further evidence that, at a time of mass lay-offs, organised labour is more concerned about job security than political action.

The only consolation for the opposition parties is that the officially-backed Partido Democratico Social is itself in a sorry state, with a large minority in revolt against the party being constantly treated as the poodle of the President.

"President Figueiredo is an authoritarian in a democrat's clothes," one well-attuned Western diplomat observed. The 65-year-old general dislikes politicians and politicking. But he has been forced to enter the fray, to try to hold the Government party together behind the IMF programme, and to unite it behind a single candidate to succeed him as President in March, 1985.

Although the electoral college which will decide his successor will not meet for another 16 months, the race to succeed Gen Figueiredo has been going strong since March. No clear-cut candidate has yet emerged and the unresolved issue is becoming an increasing pre-occupation for the President and his aides.

UN clash dashes hope of early end to Falklands dispute

BY JIMMY BURNS IN NEW YORK

HOPES OF an early settlement of the Falklands dispute receded this week as Britain and Argentina exchanged a volley of angry words during the opening session of the United Nations General Assembly.

In a wide ranging policy speech yesterday, Sir Geoffrey Howe, the British Foreign Secretary, vigorously defended Britain's recovery of the islands last year and said that the rights of self-defence, self-determination and economic and constitutional development had been upheld in line with the UN charter.

He added that in spite of Britain's wish to establish "a more normal relationship with Argentina," the response from Buenos Aires "had not been encouraging."

Earlier Sir Geoffrey said at a Press conference that Britain was not prepared to discuss the transfer of sovereignty over the islands.

He said he was only interested in the restoration of trade relations with Argentina as a "first step" towards eventually normalising the links between the two countries.

Sir Geoffrey accused the Argentine authorities of "making a very depressing and unhelpful contribution to the debate (on the future of the islands) . . . by making a lot of bellicose statements."

In a major speech on Monday, Sr Juan Ramon Aguirre Lanari, the Argentine Foreign Minister, said the "restitution of the Malvinas to effective Argentine sovereignty is a permanent objective and priority of the Argentine people and a common cause of Latin America."

Sr Lanari, who was warmly applauded by delegates from the Third World and Eastern Europe, accused Britain of embarking on a "dangerous adventure" of militarisation in the South Atlantic by developing an air base on the islands and maintaining an exclusion zone which, he said, was "disproportionate" to the Argentine threat.

"We have to infer that the true purpose of the UK, a nuclear power and member of Nato, is none other than to extend its global interests in the South Atlantic," he said.

UN diplomats interpreted the two speeches as the prelude to the debate on the Falklands scheduled to take place at the UN next month.

Argentina has proposed a motion calling on both sides to resume negotiations on sovereignty under the auspices of the UN general secretary.

Peter Bains in Beunos Aires writes: the two wings of the Argentine General Confederation of Labour (CGT) have agreed to call a 24-hour general strike, after the Government said it could not meet their demands.

Union leaders have been demanding the incorporation of a once-only 800 peso (£20) advance on year-end bonuses into the basic wage rate during the past four months of the year.

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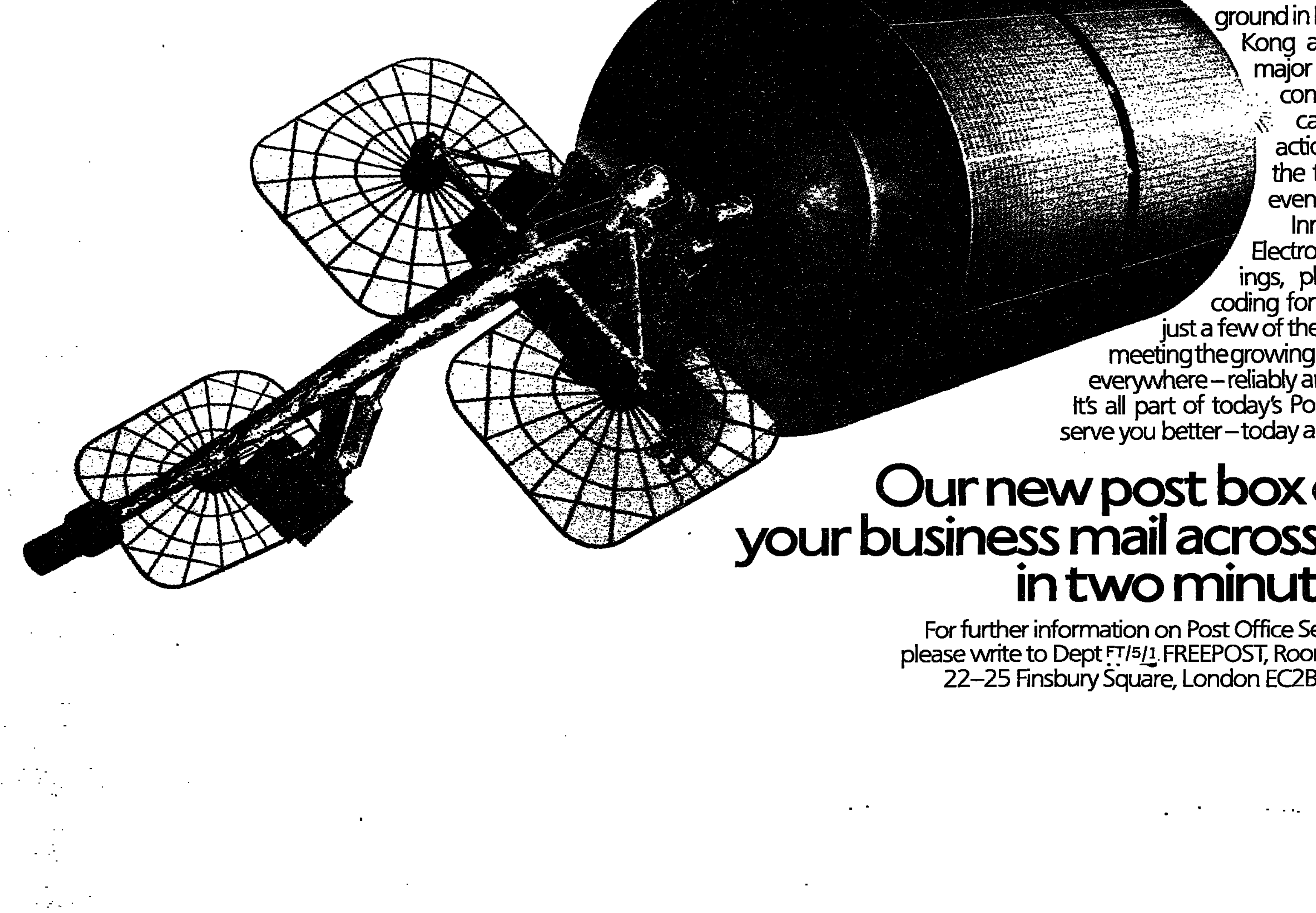

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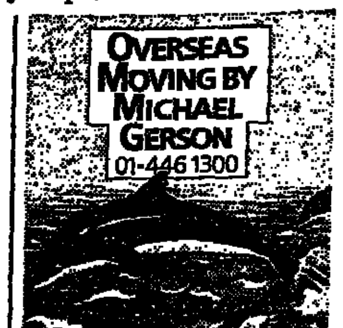
EDITED BY ALAN CANE



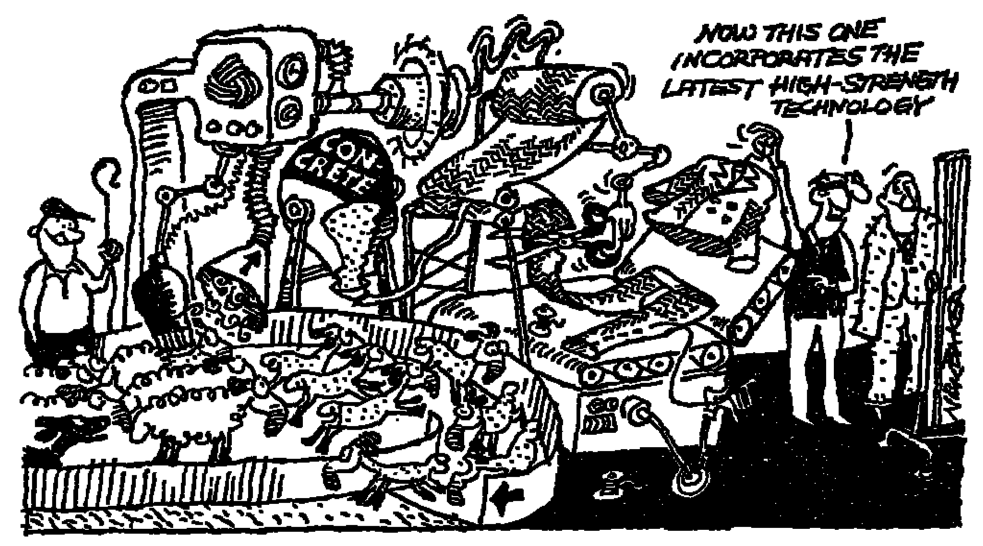
LONG-TERM RESEARCH PLANS TO BE DISCUSSED IN NOVEMBER

Wool research seeks closer knit with industry

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

A SPECIAL meeting of the International Wool Secretariat's top research directors is to be held in Melbourne in November to discuss the route they should take over the next five years.

They will have before them a document called the Strategy Plan for Global Research and Development for Wool, which has evolved from discussions over the past two years. The document suggests, and it is likely to be accepted, that if the IWS is to meet the challenges of the next decade, its Technical Centre at Ilkley, the front-line interface with industry, must make a radical shift in policy and strengthen its links with industry.



Interests

The IWS was set up in 1937 to further the interests of the woollen farmers in Australia, New Zealand and South Africa (Uruguay joined later). Each has traditionally had its own research centre or centres—Australia, by far the world's largest wool producer, has three—but the founder members also established a central Technical Centre in 1968 at Ilkley, outside Bradford, traditional home of the world's wool users.

Ilkley has always concentrated heavily on process-based developments, that is work with a high scientific content and based on fundamental research and development. One of its first investigations concerned shrink-resistance and subsequent work has been done on scouring and effluent treatment, dyeing, printing and bleaching and on the refinement of Sirospun, a process developed in Australia to improve spinning.

Product and technological developments were not ignored and in fact grew to the point where they accounted for the larger share of Ilkley's resources. But there was a certain amount of overlap between the work at Ilkley and research centres in Australia, New Zealand and South Africa were at one time simultaneously working on scouring processes—and a feeling arose that the centres were getting rather too far from industry and its needs.

The November meeting, and the global plan, is all about reversing this trend. Resources are to be switched increasingly into product and technical work, and away from process studies. Such a change of emphasis will have enormous implications, not least because Ilkley is full of highly-trained scientists.

Some intimation of the way Ilkley ought to go might have been gleaned two years ago when Mr Ian Graham took over as director of research, a title which hides his role as head of the 260-strong organisation.

Previous heads of Ilkley had all been scientists. Mr Graham, a Borders Scot from Hawick, is a textile technologist rather than a scientist.

"The global plan," he says, "looks at what we should be doing over the next five years. Its core is that we should be going to our branches (IWS has branches in over 30 countries), to industry and to the marketing people to see what their requirements are.

Hard push

"We have in the past pushed very hard at the spinning and machinery level and while this undoubtedly helps sell wool in due course we now think we should be much more closely involved with the market's needs for wool as a fibre.

"IWS is now marketing wool as a fibre, showing what it can do, in a campaign called Cool Wool and to link with this we must show how you can sell the fibre, not the machinery."

In a sense, this is taking Ilkley back to its basics. It was set up to be a link with industry but Mr Graham admits that over the years it has rather meandered into pure developments.

"We feel now that Ilkley has the same chance to provide a service to industry, its original intention, without being too encumbered with new processes. We are going to be much more concerned with what can be done with wool."

Two years ago process development accounted for about 20 per cent of Ilkley's resources, with another 20 per cent going towards product development and 40 per cent towards technology transfer. This year, process development will get about 13 per cent of the resources and if the global plan is accepted it will be down to 7 per cent in 1988.

> "The global plan postulates that the whole research and development undertaking must be co-ordinated"

This major shift will take Ilkley increasingly into areas such as methods of producing fancy yarns, developing apparel fabrics, embellishing knitwear, developing new clothes such as thermal underwear, carpet yarns and home textiles. It will also exploit new technologies such as flame-resistant cloth (for aircraft seats, for example) and improve machine washability.

In a word, the buyer of the finished item will become much more important than its producer.

Mr Graham admits that this switch could not have been set in train at a more difficult time. In the depth of the recession industry is highly unwilling to commit itself, or to think, five years ahead.

The switch at Ilkley will not affect the work of the other main research bodies, Australia's Commonwealth Scientific and Industrial Research Organisation, the Wool Research Organisation of New Zealand and the South African Wool and Textile Research Institute. They will pick up the process-development work previously undertaken at Ilkley and they will also attempt to specialise rather more in order to eliminate unnecessary overlapping.

Casual

"The global plan postulates that the whole research and development undertaking must be co-ordinated and that Ilkley can get out of some areas in the knowledge that the other three can take over.

"What we shall then do is agree with the branches what is necessary, decide which laboratory should take on the initial study, a very time-consuming element and then set up a team, which might have members from several laboratories."

Finance has not been a major factor in the thinking behind the global plan, though it is a factor which has had to be taken into account. "Financial stringency is not really the driving force. The sponsors have always been keen on R and D and willing to support our work in the knowledge that it would help sell more of their wool and the money we have is adequate for what we do."

Even so, financial stringency has played a part. The IWS is carefully watching the pennies following the New Zealand decision, the second most important paymaster, to cut its contribution to IWS.

Research activities are allocated a budget of about A$20m, of which Ilkley receives about A$7m (around £4.1m), and Geelong the next major share. But that A$20m is not likely to rise and so in real terms there must be fewer resources available as inflation takes its toll.

The major factor influencing the switch has been a big change in consumer demand over the past decade. The standard wool clothes, men's suits and women's coats, can no longer be taken for granted as everyday purchases.

Co-ordinate

Men are increasingly wearing casual clothes even on relatively formal occasions, and women are into separates and, they are increasingly wearing them made from other fibres. There is pressure on wool as a fibre despite its acceptability and its share of the fibre market is likely to decline.

Ilkley therefore has to undertake work that will prepare it, and wool, for the '90s and the next century.

"We shall continue to keep a finger in the process pie," Mr Graham says, "but we want industry to know we are acutely conscious of their needs.

"We want people to get away from looking at us as a bunch of pure scientists. We want them to see us as a bunch of hard technologists."

INDUSTRY IN SPACE

Britain's lukewarm response to Shuttle

BY GEOFFREY CHARLISH

THE ABSENCE of gravity, which results in the disappearance of such normally accepted phenomena as hydrostatic pressure, buoyancy and convection—or of air pressure, and all that that entails—might result in enhanced production processes which many scientists and engineers are not aware of at the moment.

A Nasa/McDonnell Douglas/British Aerospace team was in London recently, complete with astronaut Dr Sally Rider, to drum up some interest in the idea. According to Peter Conchie, Director of Business Development at British Aerospace, very few British companies have taken any notice, the general feeling being that cost simply rules it out.

However, although it can cost some $35m to use Shuttle exclusively, fixed cannisters of 5 cubic feet volume can be flown for $10,000 and some 300 of these "Getaway Specials" are already planned.

One of the first larger scale projects to achieve satisfactory results has been the McDonnell Douglas/Johnson and Johnson experiment in which an undisclosed hormone is being made by electrophoresis, a process in which substances can be separated by applying an electric field.

This work has been going on since 1977 and the process was proved on the ground in 1981. Shuttle flights four and six carried the apparatus and it was shown that the process could produce over 460 times as much material as it could on earth.

Now the trials are moving on through animal tests and on to clinical tests of the material produced aloft; full scale production is planned for 1987. Ultimately, the aim is to transfer the production to a fixed space station and it is believed that some 15 new products could be added in the next 10 years. Commercial quantities would clearly be needed to achieve market penetration of any new substances.

In fact, it is possible that Fairchild Industries will be first off the mark. In the last few days it has announced its intention to put a $200m satellite into orbit from the Shuttle in 1987 which "could provide the first factories in space for pharmaceutical and high technology manufacturers."

The idea is to use the Shuttle at six month intervals to bring back the products made in the automated production unit on the satellite.

Fairchild expects a big leasing demand from both industry and government, so the craft's name has been aptly chosen—Leasecraft.

Some industrial scientists present at the London meeting felt that all the benefits would go to those first in the field, who would have exclusivity.

However, in its case, McDonnell Douglas pointed out that only the specific substance is confidential to Johnson and Johnson. Similar apparatus could be used by others since it has been developed with McDonnell Douglas private funds.

So in the U.S. at any rate, there appears to be growing interest. Over here, British Aerospace believes that UK industry should be looking at what might be marketable products in five years' time

Both aerospace companies are looking at other phenomena such as the effects on basic atomic and molecular structure, internal structure at the micro level including uniformity of mix, and external structure (body and surface geometry).

Areas with some commercial promise include the production of "beta cells" for example, which can be injected and will produce insulin inside the body, and the production of alloys of otherwise immiscible materials.

LOW COST INSECTICIDE IS ECOLOGY CONSCIOUS

Saving the honey bees

BY CARLA RAPOPORT

THE PLIGHT of the honey bee has excercised the scientific minds at one of the world's leading manufacturers of insecticides. Shell Chemical this week launches a new insecticide which it claims kills only nasty bugs and doesn't cost more than the ones which send honey bees to early graves.

The new insecticide, with the chemical name alphamethrin, is a descendant of the successful synthetic pyrethroid family of insecticides. These account for the bulk of Europe's $600m a year insecticide market.

"To maintain our lead in the extremely competitive insecticides market—where in some countries spraying costs per hectare have been halved in real terms over the last five years—we have had to go one step further," says Mr Neville Craig, project co-ordinator for the new product, which will be known as Fastac when it reaches European markets early next year.

Mr Craig says that Fastac has the two most desirable qualities for an insecticide—high chemical activity and an ability to kill the broadest range of pests. It is better, he says, because it also causes minimal effects on the environment.

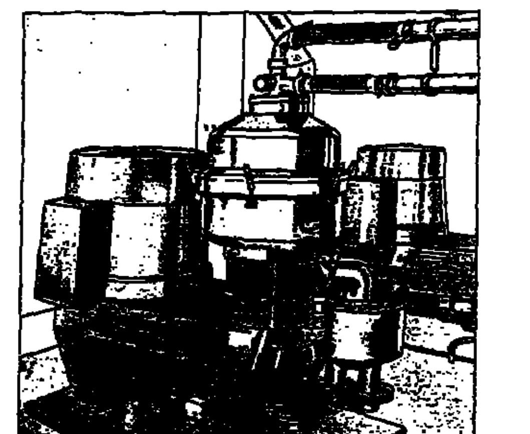
Shell has spent more than £1m on ecological tests to back up its claims. While Fastac is toxic to fish, bees and other animals in laboratory tests, its effects in the field are insignificant. This is because of the very low dose rates required and the unusually stable physical properties which make Fastac less volatile than other products.

The list of pests which Fastac does kill includes the usual criminals such as stalk borers, bollworms, weevils and beetles.

Shell says Fastac kills these pests at a 20 to 100 times lower dose rate than widely-used commodity agrochemicals. As a result, its cost is comparable with methyl parathon, which is a bee-killer.

Not a company known for its bravado, Shell is already claiming that Fastac is the "best insecticide we have ever made." No doubt the world's bee population will approve. But it may take some selling to convince less ecologically-minded farmers world-wide that the interests of bees should be heeded.

How to drive a car on sugarcane.



Take ordinary baker's yeast, add it to extracted sugar juice, and leave it to ferment. The result is ethyl alcohol. The residue fibre, left after sugar extraction, is used to raise energy for the entire process.

100 years ago Henry Ford designed his first car to run on ethyl alcohol. However, since gasoline was cheap and easy to produce, alcohol was "forgotten" as an automobile fuel.

Alfa-Laval, leaders in biotechnology, have found a new way to produce ethyl alcohol. Known as Biostil, it is a closed process – energy saving and easy on the environment. It's being put to work in Brazil, a country which has quickly established itself as the world's leading producer of "green gas" – automobile fuel made from agricultural products.

In fact, by 1985 Brazil will have a million cars running on green gas – produced primarily from the country's gigantic sugarcane plantations.

Crucial to this programme are Alfa-Laval's yeast separators and heat exchangers. And not just in Brazil, but in plants throughout the world where ethyl alcohol is being produced.

Green gas is an environmentally acceptable substitute for oil: today, a decade after the onset of the oil crisis, cars in the United States are beginning to run on "gasohol" – nine parts gasoline and one part ethyl alcohol.

Devising a way to drive a car on sugarcane is typical of our innovative way of solving problems: all over the world we are finding new applications for well-proven Alfa-Laval product lines.

Ultimately, our aim is this: to find environmentally safe and cost effective ways of supplying the world's food and energy needs. This, we feel, is potentially the world's next major growth area.

In other words, we are creating new markets from great ideas.

The Growing World of Alfa-Laval

Alfa-Laval employs 18,000 people in 35 countries and its annual turnover of US$1,100 million (a 13% increase over 1981) represents 10 consecutive years of growth. 87% of this turnover was derived from sales outside Sweden. Over the past five years, dividend growth rate has averaged 11.1%. Today Alfa-Laval's products and processes are solving problems in 125 countries and in over 170 industries – from energy production, environmental control and food processing to resource recovery, agriculture and chemical engineering.

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Creating new markets from great ideas.

WORLD TRADE NEWS

U.S. body attacks unitary tax

By Frank Gray

THE AMERICAN Chamber of Commerce has thrown its weight behind foreign governments pressing for an end to unitary tax legislation applied by 13 states in the U.S.

Mr Edwin Dodd, chamber chairman, told a luncheon audience that he believed a Supreme Court decision to uphold the legislation was unwise. He said the organisation, which now represents 220,000 businesses compared with 40,000 a few years ago has endorsed and will lobby for congressional legislation to eliminate the tax system.

The effects of the tax on foreign companies with subsidiaries in the U.S., is expected to be discussed when Mrs Margaret Thatcher, the British Prime Minister, meets with President Ronald Reagan in Washington today.

Mr Dodd acknowledged that high imports and large budget deficits were causing great concern in the U.S.

The budget deficit was contributing to the high value of the dollar, boosting imports and impeding exports of U.S. goods. This was aggravated by the fact that exporting tended to be dominated by big multinational companies.

Call for EEC to end protectionism against Third World

BY CHRISTIAN TYLER IN BERLIN

THE WORLD's troubled developing countries are finding it increasingly difficult to sell their goods to the EEC, a leading West German businessman claimed here.

Dr Michael Otto, chairman of one of Europe's biggest mail order houses, Otto-Versand Hamburg, accused the EEC of "administrative protectionism, a restrictive external trade policy and punitive treatment of Third World agricultural exports."

He warned an audience of officials and businessmen from 63 countries at a major trade fair opened here yesterday that a large proportion of the goods they were displaying "cannot be freely imported into the Community."

The EEC's system of preferences for developing countries was too complicated, Dr Otto said. One result that last year only 70 per cent of the allocation had been taken up. Community rules of origin were a further handicap for the poorest countries.

There was "total dirigisme" on textiles and clothing from outside the Community and restrictions on household goods.

He claimed the EEC Commission in Brussels was now raising barriers against agricultural exporters as a way of financing "the unfinanceable European agricultural policy." A regulation designed to protect European industry from unfair business practices in third countries now being discussed in Brussels could prove another protectionist and unnecessary device, Dr Otto said.

Europe's treatment of the developing world was, however, defended by Mr Richard Burke, Ireland's EEC Commissioner responsible for administration.

He said that despite the complaints and a less-than-perfect record, the EEC had been the first to set up a system of generalised preferences. The Community took 34 per cent of Third World exports to developed countries, more than Japan or the U.S.

West Germany's own commitment to fighting protectionism in Europe was reaffirmed by Dr Rudolf Sprung, parliamentary secretary of the federal Economics Ministry.

Pointing to what he called the contradiction between solemn declarations and actual policy in the EEC, he promised the ministers that West Germany would resist other member nations' attempts to obstruct agricultural trade.

The "Partners for Progress" Overseas Import Fair, which runs until Sunday, has attracted 760 exhibitors and 400 other companies. Subsidised by the German Government, it is an annual showcase of developing countries' products attended by West European and Scandinavian buyers and importers.

This year, the fair's 21st, a group of retailers has been set up to advise exhibitors who have failed so far to translate their promotional work into more exports to Europe.

Freeway contract

Paris—Citra Construction, a wholly-owned subsidiary of the Spie Batignolles Construction of France, has been awarded a contract worth FFr 400m to build a freeway in the Australian city of Melbourne.
AP-DJ

Japan-Iran project may be resumed next year

By Charles Smith in Tokyo

WORK ON the stalled Bandar Khomeini petrochemical project in southerin Iran could be resumed early next year, according to Mitsui and Company, one of the main Japanese participants in the troubled project.

Mitsui said yesterday that two Japanese engineering construction companies, Chiyoda Chemical Engineering and Construction and Toyo Construction had agreed to act as managing contractors of the project.

A letter of understanding is being drafted by the Iran Japan Petroleum Company setting out the terms under which the two companies will act. If this and subsequent formalities are completed smoothly "Japanese engineers could be in Iran by early next year" Mitsui says.

Work on the 85 per cent complete Bandar-Khomeini project was suspended for the second time when the Iran/Iraq war broke out in late 1980. In 1981 a lengthy series of negotiations started between the Iran Chemical Development Company (the Japanese consortium responsible for the project) and Iran's National Petrochemical Company on the terms under which work might eventually resume.

The negotiations achieved a breakthrough in the summer of 1983 when the Iranian side agreed to shoulder all future costs and Japan, in turn, undertook to be responsible for completing the construction work and and for technical transfers.

Action urged on counterfeiting

PARIS—Governments worldwide yesterday were urged to take tougher action against an alarming increase in counterfeit goods by delegates to an International Chamber of Commerce (ICC) meeting.

Estimated losses by companies whose trade-marks and products are imitated by commercial counterfeiters accounted for 2 per cent of world trade in 1982, according to M Jean-Jacques Guerlain who chaired the two-day ICC conference.

Examples of fake goods range from blue jeans, perfumes, watches, records and tape cassettes, to motor parts, electrical components, fertilisers and aircraft spares.
Reuter

U.S PLANS TO RELAX STRATEGIC CONTROLS

Allies split on sales to China

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

Mr Malcolm Baldrige

THE NEW U.S. proposals to relax western strategic controls on sales to China have met a mixed response from U.S. allies, with Britain openly favouring the move in the context of its delicate negotiations with Peking over Hong Kong's future, but other countries being more hesitant.

Mr Malcolm Baldrige, the U.S. Commerce Secretary, this week announced guidelines which would speed up—and broaden the scope of—licences for the sale of U.S. technology to China. This came in the context of yesterday's announcement that President Reagan would visit Peking next spring and of the talks which Mr Caspar Weinberger, the U.S. defence secretary, is holding this week in the Chinese capital.

The U.S. Government, Mr Baldridge said, would divide licence applications for technology sales to China into three new categories — a broad "green" zones where sales would get routine clearance, an "intermediate" category where sales would be reviewed case by case with allies' approval in the multilateral CoCom organisation and a "red" zone where Washington would forbid sale for security reasons.

The U.S. Commerce Secretary estimated that, under the new policy, sales of U.S. electronics and telecommunications equipment might rise to $1-2bn, compared with total exports requiring U.S. licences of $800m last year. British officials yesterday expressed satisfaction that it would now be easier to get U.S. government permission to sell UK technology with U.S. components to China.

But the new U.S. policy, which will be presented to allies in detail next month, will have to be meshed in with the rules of CoCom, the Paris-based organisation of virtually all Nato countries plus Japan which vets sensitive sales to the Communist world including China. This will entail a formal set of separate rules on trade with China for the first time since the early 1950s when ironically CoCom set stricter curbs on China than on the Soviet Union.

In the recent past some allies have argued against special treatment for China, with those such as France arguing it would lead to inconsistency as against Russia and others such as Japan expressing concern that relations with a western-armed China might not always be so good as at present. The U.S. itself wants to ensure policy changes towards China do not set precedents in policy towards trade to the Soviet bloc.

Pan Am to replace 60-strong jet fleet

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PAN AMERICAN is now considering a major re-equipment programme, designed to replace during the mid-1980s its existing fleet of close to 60 twin-engined short-to-medium range jets in service in Western Europe and inside the U.S.

Mr Martin Shugrue, Jr, senior vice-president, marketing, for the airline, said in London yesterday that Pan Am was looking at everything available, but had not yet made up its mind on any aircraft.

The Pan Am order, when it comes, will be a big one, however, worth over $2bn, and is thus being keenly contested by Boeing and McDonnell Douglas of the U.S., and Airbus Industrie in Europe.

The Pan Am operation currently involves extensive short - to - medium range services inside Western Europe, including West Germany, and internally in the U.S., as well as long-haul international.

For its long-haul and medium-to-long international routes, Pan American will concentrate on the Boeing 747 Jumbo jet, of which it already has 43 in service, "with no replacement even in sight." The airline plans to sell off its 16 McDonnell Douglas DC-10s and 12 Lockheed TriStars, as soon as it can find buyers.

On its short-to-medium-haul routes in Western Europe, the airline uses up to 17 Boeing 727s, while it has another 40 of those aircraft on routes inside the U.S.

"We are looking at a new wide-bodied twin-engined aircraft for the U.S. domestic operations," said Mr Shugrue, either the Boeing 767 or the Airbus A-300/A-310.

"In Western Europe, we see a need for a new narrow-bodied twin-engined aircraft, like the Boeing 737-300, the McDonnell Douglas MD-80 series or even the Airbus A-320."

He stressed that no decisions had been taken but that some action would be needed during 1984.

Arabs ready to back 18 Pakistan ventures

BY MOHAMMED AFTAB IN ISLAMABAD

ARAB AND Middle East investors say they are willing to finance 18 industrial projects in Pakistan.

This is the outcome of a conference called Investment Opportunities in Pakistan which ended yesterday. The meeting was jointly sponsored by the Federation of Pakistan Chambers of Commerce and Industry (FPCCI), the government's Investment Advisory Centre of Pakistan (IACP) and Vienna-based United Nations Industrial Development Organisation.

The 18 projects which have been identified for potential investment cover food processing, citric acid, poultry, tanning, footwear, farm implements, electronics, steel products, automobile filters, tyre retreading, viscose yarn and petrochemicals.

Nearly 100 investors from the Middle East and Gulf, including Saudi Arabia, Kuwait and Abu Dhabi attended the conference in Karachi, Pakistan's biggest city and industrial centre.

Feasibility studies of the two multi-million dollar projects covering steel products and food processing have been ordered by investors.

Pakistan is attractive to Arab investors for several reasons. By far the most important factor is that it is an Islamic country. The Pakistani Government is known to offer better facilities and greater consideration to Arab investors than others

The need for speedier Government processing of investment proposals and allocation of scarce infrastructural facilities was stressed by several potential investors. The problem is exacerbated by excessive regulation of the economy by a bureaucracy which was trained mainly to handle law enforcement as it was conceived at the turn of the century, rather than modern industry and business management.

Pakistanis at the conference recommended to prospective investors trilateral deals and ventures such as one Islamabad is planning with Chinese technical collaboration and Arab money. The proposed plant will produce heavy machinery parts in Pakistan, import more sophisticated ones from China, and sell the assembled equipment domestically, as well as in the Middle East and south Asian markets.

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CENTRAL ELECTRICITY GENERATING BOARD

Tariff for Use of the System 1 October 1983 to 31 March 1984

Fixed by the Central Electricity Generating Board (CEGB) pursuant to Section 8(1) of the Energy Act 1983 for the year ending 31 March 1984.

1. Private producers of electricity supplying their own consumers via the CEGB grid system shall pay in respect of each private consumer so supplied:—
   (i) 41.9 pence per month, per kilowatt of Maximum Power Required, and
   (ii) 0.22 pence per month, per kilometre of the Distance Conveyed multiplied by the kilowatts of Maximum Power Required.
2. In the above:—
   (a) Maximum Power Required shall mean the relevant demand in kilowatts of each private consumer as determined by the Area Board concerned.
   (b) Distance Conveyed shall mean the distance in kilometres of the shortest practical grid connection existing between the private generator and the consumer.
3. Where the arrangement for the use of the system is made by and through an Area Board, that Board shall be responsible for payment of these charges on behalf of the private producer.
4. The CEGB reserves the right to replace this Tariff with Special Terms where unusually large loads are concerned or where technical difficulties are foreseen.

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Al Baraka International	9½%	■ Hill Samuel §	9½%
Allied Irish Bank	9½%	C. Hoare & Co. †	9½%
Amro Bank	9½%	Hongkong & Shanghai	9½%
Henry Ansbacher	9½%	Kingsnorth Trust Ltd.	11 %
Arbuthnot Latham	9½%	Knowsley & Co. Ltd.	10 %
Armco Trust Ltd.	9½%	Lloyds Bank	9½%
Associates Cap. Corp.	9½%	Mallinhall Limited	9½%
Banco de Bilbao	9½%	Edward Manson & Co.	10½%
Bank Hapoalim BM	9½%	Meghraj and Sons Ltd.	9½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank	9½%
Bank of Scotland Ω	9½%	National Westminster	9½%
Banque Belge Ltd.	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	R. Raphael & Sons	9½%
Barclays Bank	9½%	P. S. Refson & Co.	9½%
Beneficial Trust Ltd.	10½%	Roxburghe Guarantee	10 %
Bremar Holdings Ltd.	9½%	Royal Trust Co. Canada	9½%
Brit. Bank of Mid. East	9½%	Standard Chartered ‖	9½%
■ Brown Shipley	10 %	Trade Dev. Bank	9½%
CL Bank Nederland	9½%	TCB	9½%
Canada Perm't Trust	10½%	Trustee Savings Bank	9½%
Castle Court Trust Ltd.	10 %	United Bank of Kuwait	9½%
Cayzer Ltd.	9½%	United Mizrahi Bank	9½%
Cedar Holdings	10 %	Volkskas Intnl. Ltd.	9½%
■ Charterhouse Japhet	9½%	Westpac Banking Corp.	9½%
Choulartons	10½%	Whiteaway Laidlaw	10 %
Citibank Savings ¶	10½%	Williams & Glyn's	9½%
Clydesdale Bank	9½%	Wintrust Secs. Ltd.	9½%
C. E. Coates	10 %	Yorkshire Bank	9½%
Comm. Bk. of N. East	9½%		
Consolidated Credits	9½%		
Co-operative Bank *	9½%		
The Cyprus Popular Bk.	9½%		
Dunbar & Co. Ltd.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		
■ Hambros Bank	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.8%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—9.05%. Effective annual rate—9.43%.

BUSINESS LAW

EEC exemption may be a curse in disguise

BY A. H. HERMANN, LEGAL CORRESPONDENT, IN LONDON

"EXCORIATING" is the word used by Professor Roy Goode, of Queen Mary College, London, when reviewing the treatment meted out to the legal activities of the EEC Commission in this column. Thus corrected, I have decided to put on kid gloves to avoid bruising the Commission's sensitive skin any more.

However, even the Commission's most devoted admirers would find it difficult to praise its absurd decision concerning the joint venture between Rockwell, the leading U.S. automotive components manufacturer, and Iveco of the Fiat group.

To appreciate the full significance of the Rockwell/Iveco decision,* one must bear in mind that it was taken against the background of member governments' dissatisfaction with a competition policy which appears to take little account of the needs of high technology industries. Both the UK and France agree that EEC competition policy should be applied to facilitate European joint ventures in industries using advanced technology and dependent upon very high research, design and development costs.

The Rockwell/Iveco decision reveals a different policy: to keep the EEC competition department in control of those ventures of which it approves – producing so many uncertainties for the partners that many would be deterred from attempting this sort of co-operation.

Rockwell, the most important supplier on the U.S. market, with eight subsidiaries in Europe, is a leader in the field of rear-drive axles for trucks. It sells about £1bn ($1.5bn) worth of them yearly. In recent years the company has developed a new series of single-reduction axles for fuel-saving and noiseless truck engines which operate at a lower speed. These axles achieve transmission in direct drive at the point of maximum efficiency, and can drive fully laden trucks at an efficient cruising speed.

European truck manufacturers account for 95 per cent of European axle production. The remaining 5 per cent is divided between four competitors, Rockwell-Maudslay, Eaton, SOMA and GKN. Because of the high cost of design, smaller truck manufacturers are likely to be forced to purchase advanced-design axles from specialised producers.

Thus, an opportunity arose to expand the production of advanced axles – now supplied to the European market from the U.S., and by the Rockwell-Maudslay subsidiary in the UK. To construct a new factory in Europe to supply this growing market would have cost Rockwell at least $200m. The Fiat group had free capacity available, but to design an advanced new axle would have taken a long time and involved great costs.

Rockwell and Fiat, through its Dutch subsidiary, Iveco, therefore, agreed on a joint venture and formed a joint company in which Rockwell will ultimately have 60 per cent and Iveco 40 per cent.

Even the Commission's most devoted admirers would find it difficult to praise its absurd decision on the joint venture between Rockwell and Iveco. Its decision to exempt rather than approve the venture is sleight of hand to enable it to impose its own conditions.

Rockwell's contribution includes in the first place know-how concerning design, selection of materials and manufacturing processes. The two companies concluded agreements on technology, trade-marks, supply and distribution in Italy, the EEC, the Middle East, and several African countries, as well as the Communist countries of Europe.

In its legal assessment the EEC Commission said that the joint venture was "a new and efficient competitor." Through it "Iveco gains access to Rockwell's axle technology and can dispense with expensive new developments" which "should contribute to increased technical progress in the goods concerned."

The additional distribution of Magirus-Deutz and Rockwell-Maudslay axles by the joint venture, said the Commission, would provide other truck manufacturers with "an interesting alternative," and the joint venture "can, consequently, become an effective stimulus to the free axle market."

Commenting on this decision in the September issue of the FT European Law Letter, Dr Valentine Korah, of University College London, writes that there should be no need to exempt an agreement if it does not foreclose any competition. "This is important where the relative bargaining power of the parties may change. If the Commission imposes conditions and obligations on its exemption, as it normally does, the party whose bargaining power has increased can renegotiate by refusing to comply with the Commission's terms. The possibility that the Commission will require each parent to license the other with any technology that may be necessary to manufacture independently after the joint venture has operated for a few years, must have deterred many holders of technology from entering into joint ventures that would have added to competition and not restricted it."

Anyone reading what I have just quoted might infer that the venture will promote and not impede competition. The logical conclusion would be that the joint venture is not prohibited by Article 85/1 of the EEC Treaty, but the Commission chose not to be logical.

It declared the joint venture prohibited under Article 85/1 because the two parties were "potential competitors," and saved its commendations to justify an exemption under Article 85/3. This enabled the Commission to impose its conditions: the parties must make provisions for the dissolution of the joint venture so that each can continue production separately using all the know-how acquired without any restriction. Moreover, the exemption runs only to March 1, 1993.

To put it as gently as I can, this is the time when the Commission should direct all its energy to support the emergence of these advanced European industries which have a future. It should not put spokes in the wheels of such ventures, unless they represent a real and substantial danger to competition.

Instead, in a case where it expressly admits that the venture will improve competition, the Commission uses a sleight-of-hand to declare it prohibited, only to be able to impose its conditions by way of an exemption. It seem that sometimes, instead of serving the Community, the Commission regards it as its playground.

** Commission Decision IV/30.437 of July 13, 1983 relating to a proceeding under Article 85 of the EEC Treaty – OJ L224 of 17 August 1983*

OVERSEAS NEWS

Top Hong Kong officials set for London talks next week

BY ROBERT COTTRELL IN HONG KONG

SIR EDWARD YOUDE, Governor of Hong Kong, and members of Hong Kong's executive Council, the territory's senior policy-making body, are to visit London next week to discuss the colony's future with the British Government.

The executive councillors making the trip are the body's "unofficial" members — prominent business and professional figures from Hong Kong's private sector. They last visited London in July, when they met Mrs Margaret Thatcher, Britain's Prime Minister.

The visit was announced by Mr Richard Luce, Foreign Office Minister responsible for Hong Kong,

Talking about Sino-British negotiations over Hong Kong's future, Mr Luce said he regarded as "unhelpful and sad" public comments which he said the Chinese Government was making about the negotiations.

The British negotiating position is officially held to be confidential, and Mr Luce declined to discuss it, or other aspects of the Sino-British negotiations.

The fourth round of Sino-British talks took place last week, and a fifth is due to begin on October 19.

Mr Luce did, however, give some pointers to the British stand in saying that Britain's aim in negotiating a future for Hong Kong is to "preserve all that has been built up so successfully, and try to build further on that success so that Hong Kong can flourish still further in the long term."

Opposition leaders held in Sudan

BY QUENTIN PEEL, AFRICA EDITOR

AT LEAST 11 prominent opposition leaders in Sudan, including Sadiq al-Mahdi, the former Prime Minister, have been arrested and detained in Khartoum, according to reports reaching London.

The detainees all belong to the Moslem Ansar movement led by Sadiq, a long-time opponent of President Qaafar Nimeiri, although in recent years the two have agreed on a public reconciliation.

Ironically, the arrest of the Ansar leaders follows the surprise announcement by President Nimeiri that the Islamic Sharia code, for which they had been campaigning, is to be introduced in the country.

As a result, he has released prisoners from detention, and held a public ceremony to pour some £3m-worth of alcohol into the river Nile.

The reports from Khartoum say that Sadiq was arrested after his house had been cordoned off by tanks. Others detained with him include Dr Omar Nur al-Daim, a former Minister of Agriculture, and Abdul Rahman al-Nur, a Supreme Court judge.

Last week Sadiq al-Mahdi made a major speech at a prayer meeting coinciding with the ceremony of Eid al-Adah, at which he welcomed the introduction of Islamic law, but warned it must be a code of justice as well as a penal code.

tained with him include Dr Nu

President Nimeiri's decision to adopt this code is seen as an attempt to reconcile fundamentalist Moslem opposition to his rule, but it could also alienate many Christians in the south of the country. Sadiq's speech suggests that it may equally fail to win over many Moslems.

AP adds from Khartoum: Maj-Gen A. W. Dennis, director of the Overseas Military Assistance Department in the British Ministry of Defence, has arrived for a 24-hour visit to discuss strengthening bilateral relations.

Poll blow for many Kenya MPs

BY MICHAEL HOLMAN IN NAIROBI

ABOUT 40 per cent of Kenya's 158 MPs lost their seats in Monday's general election, including five Ministers and 12 deputy Ministers. Voting turn-out was 48 per cent of the electorate.

iWth all but a handful of results from the 153 contested seats to come, it seems that the high turnover of MPs which has characterised past elections has again taken place.

The disappointing turnout was the lowest since independence, well below the 68 per cent recorded at the last election in 1979.

Although the results puts some new faces into parliament, there are few obvious contenders for ministerial posts outside the ranks of the old guard when President Daniel arap Moi(names his new Cabinet early next month.

Among the more interesting results yesterday was the success of Mr Peter Kinyanjui in the Kikiyu constituency with a 15,000 majority. Mr Kinyanjui is thought to have had the discreet backing of the ousted Constitutional Affairs Minister, Mr Charles Njonjo.

Despite Mr Njonjos political eclipse earlier this year following allegations of disloyalty to the President—now the subject of a judicial inquiry—it would seem that he continues to have some influence, albeit limited, in the Kenyan political scene.

Mr Arthur Magagu, Minister of Finance in the former Cabinet and thought to be close to Mr Njonjo, had no difficulty retaining his seat. Nor, for the most part, have other candidates with this asociation found it a political liability.

On the contrary, the disavowal of Mr Njonjo by erstwhile asociates in the tense atmosphere that surrounded his downfall, may have cost them votes.

Political observers here believe that the heavy defeat of Dr Manyua Waiyaki, former Minister of Agriculture, in Nairobis Mathare's constituency, may in part have been due to Dr Waiyaki's public distancing from Mr Njonjo.

But the predominent feature of the election remains voter apathy notwithstanding a lengthy campaign.

CDC Life Sciences Inc.

a wholly-owned subsidiary of Canada Development Corporation has sold one of its subsidiaries

A/S Dumex
(a Danish corporation)

to

A/S Apothekernes Laboratorium for Specialpræparater
(a Norwegian corporation)

We acted as advisor to CDC Life Sciences Inc. in this transaction.

Merrill Lynch Capital Markets

September 29, 1983

UK NEWS

Saga drops Laker name for holidays

By Arthur Sandles

SAGA HOLIDAYS has abandoned its costly excursion into mass package tourism. It has dropped the Laker name for holidays, bought for £500,000 in the wake of the Laker Airlines collapse 20 months ago, and reverted to its traditional base of providing holidays for retired people.

Saga lost a further £2.21m on its Laker operations in the year to June 1982. Figures for the current year will be out in a matter of weeks but Saga managing director Mr Roger de Haan, says that the Laker impact will "not be significant."

The Laker name will be continued in a vestigial form by Saga for a programme of cheap flights, without hotels or other holiday facilities.

● In July the number of visitors from North America to the UK was more than 50 per cent up on July 1982.

About 410,000 visitors from the U.S. and Canada came to the UK in that month. Overall, according to figures from the Department of Trade and British Tourist Authority, 1.7m visitors from overseas came to Britain in July. This was 16 per cent more than a year ago.

Interest rate stays up as borrowing increases

BY ROBIN PAULEY

THERE ARE still no signs of the Bank of England lowering its intervention rates and thefeby signalling to the clearing banks that a modest cut in bank base rates from *9½ per cent to 9 per cent is timely.*

There are several reasons behind the Bank's firm resistance to market expectations and they are compounded by this week's figures showing bank lending to the private sector accelerating again in the three months to mid-August.

Although the Bank has recently been able to offset the expansion in the money supply growth by adopting an aggressive funding policy, it will not be clear whether the growth in money supply aggregates has been pulled back within the *Government's target range of 7 to* 11 per cent until next week's September money supply figures are available.

By then it will also be clear whether U.S. Federal Reserve has indeed relaxed its credit policies.

By the end of next week nearly all of the most important bilateral discussions should be completed between spending ministers and Mr Peter Rees, Treasury Chief Secretary, about cuts in bids for public spending next year.

As brokers Phillips and Drew note, the authorities may prefer not to demonstrate outwardly an easing in their monetary stance just when spending ministers are being asked to exercise further fiscal restraint.

September is likely to be the best month this year for building societies, which lend money for private house purchase. The net inflow of funds is expected to be around £800m, well above the previous best high reached in July when interest rates were increased. The September receipts should be the second highest level ever, and October's are expected to be even higher.

The higher interest rate weas a big factor this month but the societies were also helped by new two-year term shares. The five leading societies and several others launched the new shares on September 1.

The latest Bank of England figures show a modest rise of 1¼ per cent in lending to manufacturing industry in the three months to mid-August, after two successive quarterly falls. The new level, however, is still about 4 per cent below that in mid-August last year.

Demand for personal credit remains behind the high levels recorded last year. Nevertheless it rose by £1.77bn or 7½ per cent in the three-month period to account for more than half of the rise in lending to UK residents, before taking account of seasonal adjustments.

Within the modest rise in demand for credit from industry the decline in lending to the food, drink and tobacco sector, down £363m, was the second *largest fall in that group* since 1975. Lending to agriculture and construction advanced strongly. Bank lending to the public sector continued to fall.

● The proportion of total personal disposable income put into savings has fallen to its lowest level for more than 10 years.

Yesterday's figures from the Central Statistical Office show that real personal disposable income in the second quarter of 1983 remained close to the level of the first quarter and has hardly changed since the second quarter of 1981. However, the pattern of people spending rather than saving their money, which became apparent during the recession and led to the sustained recovery in retail spending, has continued to accelerate.

Enfield India bids £½m for Triumph

BY ALAN WRAIGHT

ENFIELD INDIA, the Indian company that makes motorcycles based on the former British Royal Enfield, has put in a £550,000 bid for Triumph, the Meriden-based cooperative now in liquidation.

However, Cagiva, the Italian motorcycle producer, has asked the liquidators, Peat, Marwick, Mitchell, to delay a decision on the sale of Triumph while it "seeks ways to secure Triumph's long-term future."

Under Enfield's plans, all 173 jobs at Triumph would be lost, as it is proposed to ship the machinery for *building the motorcycles to India. If* Cagiva succeeds, however, Triumph production will remain in the UK.

A statement by the Italian group said the management was particularly anxious to see assembly of motorcycles centred in the Midlands and it was studying the viability of the Triumph factory as a production unit.

Earlier this month, Harley-Davidson, the U.S. motorcycle manufacturer, held exploratory talks with the liquidator on the possibility of reopening Triumph at Meriden.

Harley-Davidson's scheme involved a Japanese producer's arranging loan guarantees from Japan to help to bring forward the *production of new Triumph models.*

The West Midlands County Council also proposed to offer £340,000 for Triumph's spare parts business but that plan has been dropped.

Gallaher to restructure UK tobacco operations

BY BRENDAN KEENAN IN BELFAST

GALLAHER is to rationalise its UK cigarette and cigar manufacturing operations by closing one factory near Manchester and transferring some production from its plant in Ballymena, Northern Ireland, to South Wales.

The company said yesterday that the changes would be carried out in 1985, and, with the use of manpower transfer, would probably involve no more than about 150 job losses in that year.

The Middleton plant of Gallaher's Senior Service subsidiary will be shut. Production will be increased at the subsidiary's Hyde plant, also near Manchester, which currently employs 1,300. The majority of the 340 employees at Middleton will be offered jobs at Hyde, which manufactures Silk Cut, Benson & Hedges, and Senior Service brands.

The company is transferring cigar production in two years' time from Ballymena to its plants at Cardiff and Port Talbot. It is adapting Ballymena to make roll-your-own tobacco, and will raise cigarette output at both Ballymena and Belfast.

This will create some new jobs for the 1,700 currently employed at Ballymena. Job losses at Middleton and in Northern Ireland are expected by the company to be about the same. The restructuring reflects a need to improve overall operating efficiency in the face of a declining UK market.

Gallaher has increased its share of the cigarette market to 32 per cent, with Benson & Hedges, the biggest-selling cigarette brand, and Silk Cut, the leading low-tar seller.

Talks on Irish gas

BY BRENDAN KEENAN

A DECISION on the purchase of natural gas from the Irish Republic for use in Northern Ireland is expected within the next two weeks. The proposals are believed to be before the Cabinet for final approval.

The proposals are the result of months of negotiation between officials from Belfast and Dublin and the two ministers involved, Mr. Adam Butler MP, and Mr John Bruton, the Irish Minister for Industry and Energy. Northern Ire*land officials have been divided on* the plan, which many regard as risky in terms of commercial return.

The Irish have offered gas from the Kinsale Head field at around 26p a therm, but building a pipeline from Dublin and converting the Belfast gas system could cost up to £100m.

The gas would have to be priced competitively to attract new customers, leaving margins tight.

Complications over how to adjust prices over the expected 20-year life of the project appear to have been eased by Irish agreement to relate future prices to the cost of fuel oil, thus getting around difficulties over future exchange rate movement between the Irish pound and sterling and differing inflation rates in the Republic and in Northern Ireland.

The chairman of Belfast city council's gas committee, Mr Paddy Devlin, said he believed the deal had the approval of Mr Butler and the Secretary of State, Mr James Prior.

Ulster mission's 'success'

BY BRENDAN KEENAN

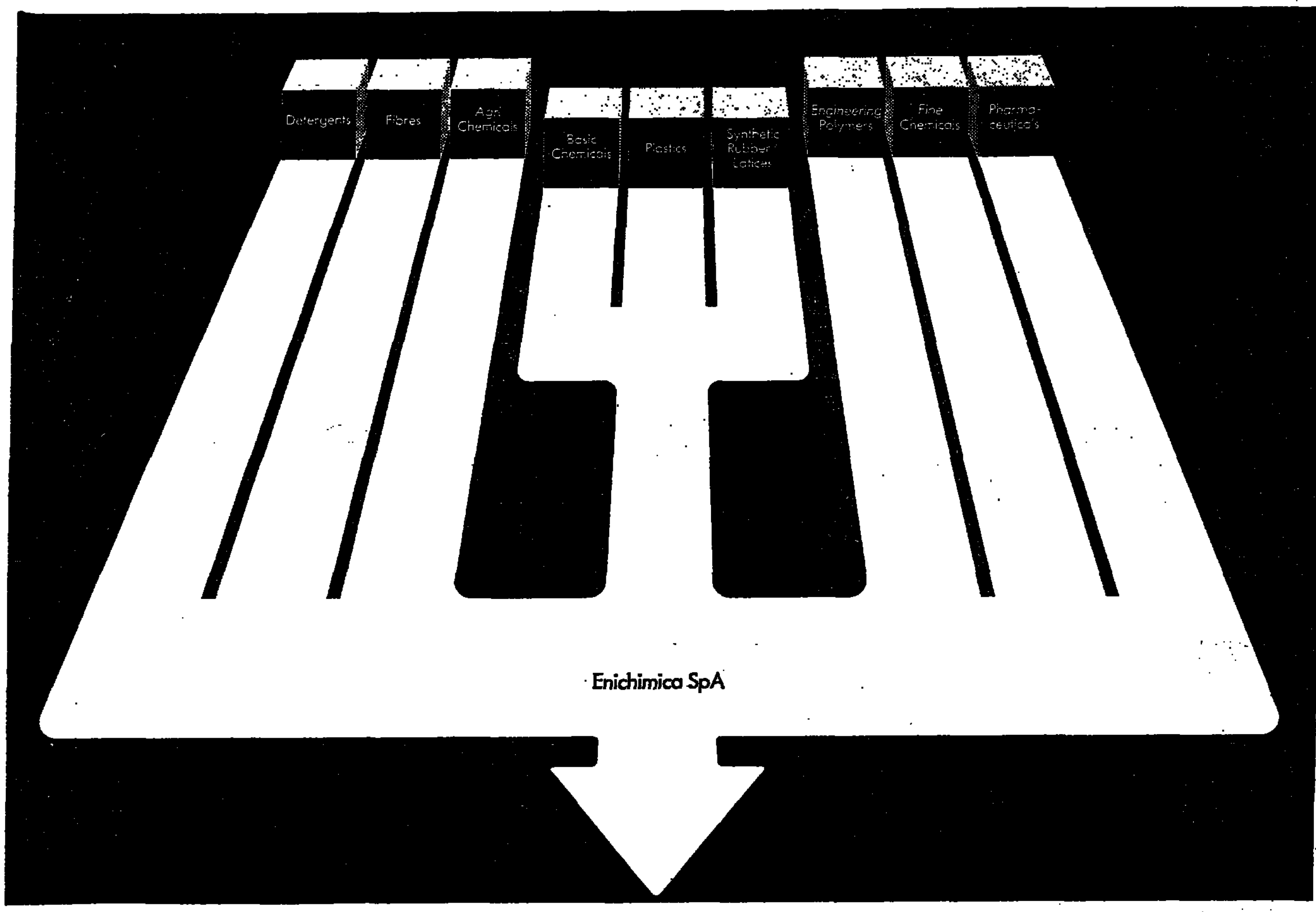
RIVAL POLITICAL leaders in Northern Ireland joined forces yesterday to claim success for their eight-day *mission to the U.S. and Canada* to attract investment to the province.

U.S. media reaction to the visit made it plain that the main attraction was the fact that the Rev Ian Paisley, the loyalist leader, and Mr John Hume, the nationalist leader, were both on the trip. The delegation discovered the scale of Northern Ireland's problem with its public image. Several senior businessmen compared Belfast with Beirut.

There is little sign that the impact of a few days' co-operation has persuaded the politicians that the much larger benefits which would flow from wider agreement are worth changing their political *stances.*

The visit also reopened an old argument about Northern Ireland's industrial representation abroad. This is carried out through the consular service, but there is a feeling that it should be undertaken independently by the Industrial Development Board (IDB).

The main practical success seems to have been an offer by the U.S. Department of Commerce to make its records on 300,000 U.S. companies available to the IDB. The delegation also made a particularly successful visit to Toronto, where many leading businessmen have Northern Ireland origins.



EniChem.
A statement of diversified strengths.

EniChem is the new identification for Enichimica SpA, a major enterprise consolidating *the various businesses formerly grouped under* Anic and Enoxy.

EniChem is a member of Eni, the Italian state energy group. With an initial capital of $1.1 billion and sales approaching $5 billion, EniChem is one of Europe's largest and most diversified chemical companies.

Its products range from basic chemicals, through bulk plastics, synthetic rubber and latices, to engineering polymers, fine chemicals, detergents, pharmaceuticals, synthetic fibres and agricultural chemicals.

Together, EniChem subsidiaries employ over 30,000 people and operate production *plants throughout Italy and in the United* Kingdom, backed by over 1,200 in research and development.

EniChem's focus for international marketing and sales is Eni Chemical SA, based in Zurich, Switzerland with sales offices across Europe.

EniChem is not only a new identity, but also a renewed commitment to the European chemical industry and its customers.

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British Caledonian have just taken delivery of a Concorde from British Airways.

It may be smaller in size than the average Concorde, but it's with great pride that we receive it.

It's the "Airline of the Year" trophy awarded by Executive Travel magazine from a survey of its readers.

This year, British Caledonian have taken the title from British Airways, beating all the major airlines of the world.

Two other aviation "Oscars" flew our way in the competition as well: Best Carrier to Africa. Best Carrier to the Caribbean, Central and South America.

Best of all, the people who voted for us, and our Caledonian Girls, were not a panel of "experts" but ordinary fare paying business travellers.

Which just confirms something we've always believed. Before you can win awards, you've got to win over your passengers and your travel agents.

We never forget you have a choice.

Airline of the Year 1983.

British Caledonian

COMPANY NOTICES

Kingdom of Denmark

U.S.$ 100,000,000
Floating Rate Notes due 1988

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from September 22, 1983 to March 22, 1984 the Notes will carry an interest rate of 10 5/16 % per annum.

The interest payable on the relevant interest payment date, March 22, 1984 against Coupon n°7 will be US$ 13,033.85 per Note.

Agent Bank
KREDIETBANK
S.A. LUXEMBOURGEOISE

NOTICE OF MEETING
TIME ASSURANCE SOCIETY
45 Queens Road, Oldham
Greater Manchester
Registered Office:

A SPECIAL GENERAL MEETING of the above Society will be held at the Registered Office on Tuesday, 18th October 1983 at 10.30 a.m.

AGENDA
1. To Amend Tables ORHW1 & ORHW5.
2. To close Table OR2 and approve new Table OL1 with appropriate amendment to *Rule 9(i)*.
3. To Amend Rule 9(i).

(Signed) D. R. REES,
Secretary.

PUBLIC NOTICES

COUNTY OF CLEVELAND
VARIABLE RATE
REDEEMABLE STOCK 1984

The Council of the County of Cleveland announces that the half-yearly payment of interest due on 29th March 1984 on the above stock will be at the rate of £5.4375 (less income tax) per £100 stock.

LEGAL NOTICES

IN THE MATTER OF
HOBWELL LIMITED
AND IN THE MATTER OF
SPORTSPACE LIMITED
AND IN THE MATTER OF
WIMBELISA LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Companies, which are being voluntarily wound up, are required, on or before *the 21st day of December, 1983 to send* in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Surjit *Kumar Singla, F.C.A., of Singla & Co.*, Chartered Accountants of 423 Alexandra Avenue, Harrow, Middlesex, HA2 9SE, the Liquidator of the said Companies, and, if so required by notice in writing from the said Liquidator, are, person*ally or by their Solicitors, to come in* and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be *excluded* from the benefit of any distribution made before such *debts are proved.*

Dated this 21st day of September, 1983.

S. K. SINGLA, F.C.A.,
Liquidator.

MINERALS AND RESOURCES CORPORATION LIMITED
(Incorporated in Bermuda)
NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER
PAYMENT OF COUPON NO 96

With reference to the notice of declaration of final dividend advertised in the Press on September 21, 1983 following information is published for the guidance of holders of share warrants to bearer.

The dividend of 16 cents was declared in United States currency. The dividend on bearer shares will be paid on or after November 8, 1983 against surrender of coupon No. 96 detached from share warrants to bearer as under:

(a) at the office of the Corporation's continental paying agents Credit du Nord, 6 & 8 Boulevard Haussmann, 75009 Paris.

(b) at the London Bearer Reception Office of Charter Consolidated P.L.C., 40 Holborn Viaduct, London EC1P 1AJ. Unless persons depositing coupons at such office request payment in United States dollars (in which case they must comply with any applicable Exchange Control regulations), payment will be made in United Kingdom currency either —

(i) in respect of coupons lodged on or prior to November 1, 1983 at the United Kingdom currency equivalent of the United States currency value of their dividend on October 28, 1983 or,

(ii) in respect of coupons lodged on or after November 2, 1983 at the then prevailing rate of exchange on the day the proceeds are remitted to the London bearer Reception Office.

Coupons must be left for at least four clear days for examination (eight days if payment in United States currency has been requested) and may be presented any weekday (Saturday excepted) between the hours of 10.00 a.m. and 3.00 p.m.

United Kingdom income tax will be deducted from payments to any person *in the United Kingdom in respect of* coupons deposited at the London Bearer Reception Office, unless such coupons are accompanied by Inland Revenue non-residence declaration forms. Where such deduction is made, the net amount of the dividend, after deducting U.K. income tax at 30% will be 11.20 cents (United States) per share.

In the case of payments made in United Kingdom currency the sterling equivalent of the net dividend will be calculated in accordance with sub paragraph (b) above.

For and on behalf of
CHARTER CONSOLIDATED P.L.C.
U.K. Transfer Agents
J. C. Greensmith

London Office:
40 Holborn Viaduct,
London, EC1P 1AJ.
September 27, 1983.

URQUIJO INTERNATIONAL N.V.
$US 30 MILLION FLOATING RATE NOTES DUE IN 1986

For the six months September 23th, 1983 to March 22th, 1984, the notes will carry an interest rate of 10.25 % per annum.

The interest due on March 23th, 1984 against coupon number 10 will be $US 51.82 and has been computed on the actual number of days elapsed (182) divided by 360.

The principal paying agent
SOCIETE GENERALE ALSACIENNE DE BANQUE
15, rue Emile Reuter
LUXEMBOURG

CONTRACTS AND TENDERS

DEPARTMENT OF ECONOMIC DEVELOPMENT FOR NORTHERN IRELAND
BOREHOLE DRILLING CONTRACT

Tenders are invited on a fixed price basis from competent and experienced *drilling* contractors *for the drilling of up to 12* boreholes in east Tyrone and north Armagh.

Tender documents may be obtained from the offices of the Geological Survey of Northern Ireland, 20 College Gardens, Belfast BT9 6BS, on production of a written application accompanied by a deposit of £20 which will be returned on receipt of a bona fide tender not subsequently withdrawn. Deposit cheques should be made payable to the Department of Economic Development.

Tenders should be returned to the Department of Economic Development, Minerals Branch, Netherleigh, Massey Avenue, Belfast BT4 2JP, in the envelope provided, by not later than 3.00 pm on Thursday, 13 October 1983.

Tenders submitted by post should be registered or sent by *recorded delivery*. An official receipt must be obtained for each tender delivered by hand.

The lowest or any tender will not necessarily be accepted and the department will not be responsible for any costs incurred by firms in preparing tenders.

UK NEWS

THE MINERS – CLAIMS AND CLOSURES

Scargill at war on two fronts

BY JOHN LLOYD, INDUSTRIAL EDITOR

MR Arthur Scargill, the National Union of Mineworkers' president, is conducting a war on two fronts.

The first is pay, where the miners traditionally stage the dramatic set-piece of the bargaining round. He has lodged a "substantial" claim and talked of rises varying between 17 and 23 per cent as necessary to restore purchasing power: the National Coal Board's reply will be delivered tomorrow.

The second is pit closures. Mr Scargill announced a special delegates' conference for October 21, marking another attempt on his part and that of his vice-president, Mr Mick McGahey, to use their formidable oratorical powers to whip up resistance to closures. They have failed in the past, in two nationwide campaigns: but they do not give up easily.

The mineworkers' president trusts that his two fronts can be consolidated, as resentment over what is likely to be a very low offer boils over to stimulate militancy in *defence of pits. It is, however,* this fusion which has consistently eluded him, both as leader of the Left before he became president and since assuming his post.

In large part, this is because, as well as fighting on two fronts, he is also fighting on two levels. He needs to get national industrial action in order to pose any kind of threat to the NCB (though 55m tonnes of stockpiled coal makes that option far from attractive to him); but pit closures happen at local, area level where they are often agreed by area officials.

Of those pits which made headlines as centres of resistance over the past year – Cardowan in Scotland, Tymawr/Merthyr Lewis and Brinlliw in South Wales – none remain: all are either closed or are near to it. Now, the order of the day is for closures to go through relatively *unheralded on the national* scene – and to go through more quickly than at any time since the widespread closures of the 1960s.


Mr Arthur Scargill

On the day Mr Scargill told cheering miners lobbying the pay talks at the Board's Belgravia headquarters that they were to be led to battle again, area officials in the north-east were faced with yet another closure, that of Herrington Colliery, where geological conditions were reported by the board to *have declined to such an extent that* the sulphurous coal could not be sold by anyone. *Its 680 miners will* be redeployed, or offered early retirement by the middle of next year.

The north-east officials were already reeling from the announced closure of Tynemouth Colliery, with 870 men – which they are likely to appeal against – and of Fishburn Coke Works, whose appeal is still lodged with the Board.

In Leicestershire, two of the rapidly shrinking area's six pits – Snibston (300 men) and Desford (340 men) are to close by Christmas and next February respectively: neither are being contested by the area union, which has accepted sadly that the centuries' old mining tradition in Leicestershire will be dead in a decade.

In North Derbyshire, the Pleasley pit will close by the end of the year and in South Wales, the Britannia *pit, the aged Wyndham Western pit,* and the Coedely coke works face the axe.

Only at Monktonhall, in Scotland, is serious opposition being shown. The 1500 men are on strike against the board's attempts to persuade 300 men over 50 to take early retirement, and that strike was made *official earlier in the week.*

Mr Scargill and his colleagues on the NUM executive have not shirked from demonstrating the *militant leadership* which they promised they would give when they won control.

Much has been made of Mr Scargill's *growing* unpopularity among rank and file mineworkers because of his style, his pro-Soviet stance and his attack, later retracted, on the Polish Solidarity union. Nevertheless the *fact* remains that he is without a challenger for his post and remains popular among his own militants.

For all that, he has significantly moderated his head-on charge against the NCB and the Government.

Civil Service accused of incompetence

BY ROBIN PAULEY

AN INCOMPETENT Civil Service and Ministers of generally *low calibre* have contributed to 30 years of policy failure in Britain, Sir John Hoskyns, former head of the Prime Minister's Policy Unit, said last night.

In a stinging attack on both the political and administrative branches of the policy machine, Sir John said in the Institute of Directors' annual lecture last night that four changes were needed to break out of "these antique conventions, culture and machinery which failed us between 1950 and 1980."

- The Prime Minister should not be restricted to the small pool of career politicians in Westminster when forming a government.
- Whitehall must be organised for strategy and innovation as well as for day-to-day political survival.
- It must be possible to bring adequate numbers of high quality outsiders into the Civil Service.
- The workload on ministers must be reduced.

"Over the past 30 years we have suffered the consequences of a massive failure of intelligence and nerve on the part of the inbred political establishment," Sir John said. He added that change would never emerge from within that establishment and that "the Prime Minister is not at present persuaded of the need."

The people who would have to stimulate change and offer fresh thinking would therefore have to be businessmen. The way they thought and acted was more relevant than *that of* most politicians, civil servants, academics and commentators.

Businessmen should spend less *time lobbying for special treatment* in a sinking economy. Instead they should ask, as disenfranchised shareholders, that government equipped itself with whatever political arrangements and technical competence it needed to stop the economy sinking. They should offer help in developing that competence, Sir John said.

Sir John was as scathing about ministers as their administrators. The general calibre of ministers was normally low and they had irrelevant experience coupled with impossible burdens of *office*. The Civil Service had been left with the *job of damage limitation, "of making ministers look better than they really are."* In the process, the quality of Whitehall had declined, producing a general intellectual slackness.

"With confidence and competence so much lower than they *should* be, it it not surprising that Whitehall fiercely defends its tradition of secrecy," he said.

"The Official Secrets Act and the *30-year rule (on confidentiality of government papers),* by hiding peacetime fiascos as though they were military disasters, protect ministers and officials from embarrassment. They also ensure that there is no learning curve."

Battle starts over Channel 4 funds

BY RAYMOND SNODDY

AN INTENSIVE lobbying campaign *has* begun aimed at influencing next year's level of funds for Channel 4, the second independent television channel.

The independent television (ITV) companies wish to hold down the cost of the channel from April 1984 as they prepare for competition from cable television.

Many would like the increase on this year's £124m total cost for Channel 4 to be no more than the increase in the retail price index, even though ITV revenue for the year to January 1984, net of agency commission, is likely to top £800m – a rise of about 16 per cent.

The ITV subscription for Channel 4 is set by the Independent Broadcasting Authority (IBA) within a band ranging from 14 to 18 per cent of net revenue.

Channel 4 argues that as the venture is in its early days investment should continue next year as close to 18 per cent as possible.

Although no decision will be taken until next year, senior IBA officials are sympathetic to this argument and *Channel 4 seems likely to* get more than £140m.

The lobbying, however, seems to be becoming increasingly entangled with larger questions of the relationship between the ITV companies and Channel 4 and the desire of at least some senior figures in the industry to get a greater degree of control over Channel 4 programming and scheduling.

Earlier this month Mr Hugh Dundas, chairman of Thames Television, said in his annual statement that his board believed "there would have to be some radical *changes in its (Channel 4's) modus* operandi and control."

Fears for progress on work health and safety

BY DAVID GOODHART, LABOUR STAFF

RECENT PROGRESS in health and safety at work will not last the recession in many workplaces according to the retiring chairman of the Health and Safety Commission, Mr Bill Simpson.

Writing in the commission's report for 1982-83 he states: "Already, in the recent recession, there are signs that many good intentions are melting like snowflakes in the warm chimney of competitive and financial pressures."

Reviewing the Commission's work since 1974 – when it was established as part of the Health and Safety at Work Act – Mr Simpson says that there has been a general reduction in "lost time" accidents and an improvement in the reporting of accidents.

The number of fatal accidents per year has fallen by 30 per cent since 1975 – although the 1982 figure of 468 was a slight increase on the 1981 figure of 451. Construction is still by far the most dangerous sector, accounting for 102 of the 1982 total – with mining and quarrying second with 73, and Transport and Communication third with 50.

The number of serious accidents – *defined as accidents resulting in* admission to hospital for more than 24 hours – fell from 435,000 in 1981 to 388,000 in 1982.

But Mr Simpson, who next week makes way for a new chairman, Dr John Cullen, warns: "Although substantial progress has been made in reducing fatalities and probably lost time accidents, complacency is unforgivable."

He adds: "Economics do come into health and safety decisions, and it is therefore inevitable that the present recession is affecting the pace at which workers want improvements to be made."

Although expenditure on the commission rose by £8m in 1982–83 to £88.3m, the number of employees has fallen from 3,840 to 3,730

New torpedoes start Navy and RAF service

By Bridget Bloom, Defence Correspondent

A KEY STAGE in the Government's £2bn programme to equip British forces with new torpedoes will be reached today when the first Sting Ray torpedoes are formally accepted into service by the Royal Navy and the Royal Air Force.

The new lightweight anti-submarine weapons, manufactured by Marconi Underwater Systems, will equip the Navy's Sea King and Lynx helicopters as well as surface ships such as the Type 22 frigate. They will be carried in the RAF's Nimrod aircraft.

The two weapons to be handed over today are part of an initial production batch of 254, about 90 of which are believed to have been already delivered for trials. Marconi is already negotiating with the Ministry of Defence for the next batch of weapons.

The company ultimately hopes to export up to 4,000 torpedoes but faces strong competition from the U.S.

The Sting Ray has had a chequered history and its precise cost to the Government is still not clear. The House of Commons Defence Committee estimated in May 1981 that the total cost of the project from the beginning of its development to completion was £920m at 1980 prices.

Zambia
Consolidated Copper Mines Limited
Incorporated in the the Republic of Zambia
Extracts from a statement by the Chairman and Chief Executive, Mr. F. H. Kaunda

The Company and its subsidiaries showed an after-tax loss of K127 million for the financial year ended 31 March 1983. This was an improvement on the previous year and several factors contributed to this. As a unified entity the Company was able to take unprecedented measures to reduce cash outflow and despite lower than forecast metal prices the total cash saving of K356 million exceeded the forecast by K57 million. The Kwacha was devalued by 20 per cent on 7 January 1983 against the SDR and this boosted receipts from metal sales by K45 million in the last quarter, but the Company's indebtedness rose by about K117 million.

The price of copper was very low for most of 1982 and the recovery was largely due to speculative and currency factors. Demand remains depressed and LME stocks have risen. The price of cobalt declined substantially in the first half of the year, and although the price has since recovered somewhat, world stocks will continue to keep prices depressed.

The metal pipeline was reduced from about 88 200 tonnes in March 1982 to 50 000 tonnes at the end of October but serious operational difficulties on the Tanzania Zambia Railway in the fourth quarter increased copper stocks to 75 315 tonnes by 31 March 1983 and the Company has had to maximise despatches on the southern route.

For more than a decade capital expenditure has been restricted initially by generous dividend policies and latterly by financial constraints. The Company now has a considerable backlog of expenditure and profit retentions must be maximised. Undue *reliance on loan finance has contributed to the Company's problems.*

The Company's 15-year production plan shows copper production declining from 1984-5 without the Tailings Leach Stage III Project. If this is taken into account, annual production will be raised by about 50 000 tonnes of cheap copper from 1986-7 until 1998.

Tonnage of copper ore treated was higher than in the previous year, but poorer in grade and finished production was down 2.8 per cent. Two other factors were responsible for copper production being significantly below forecast. The fire at Nkana Division power station in November 1982 immobilised the smelter and other *surface facilities and affected hydrometallurgical operations elsewhere.* The foreign exchange situation deteriorated further and the procurement of spares and consumables was at a virtual standstill. Stocks of many items are exhausted or at critically low levels.

Industrial relations were maintained at a satisfactory level and the company continued with its internal and external training and development and a number of senior appointments of Zambians, particularly in the technical disciplines, have been made.

The immediate problem is how best to survive the current economic hardships without impairing productive capacity. This entails continuing with cost-cutting, the need to devote more resources to capital expenditure accompanied by self-denial by shareholders in order to build for the future. The Group should be allowed increased foreign exchange. I welcome wholeheartedly the forthcoming discussions between the "A" and "B" shareholders which will, hopefully, lead to a fresh injection of capital. I am hopeful too that we shall begin to see signs of a recovery in the Zambian economy.

Copies of the full text of this statement are available from Zambia Appointments Limited, 16-28 Tabernacle Street, London EC2A 4BN.

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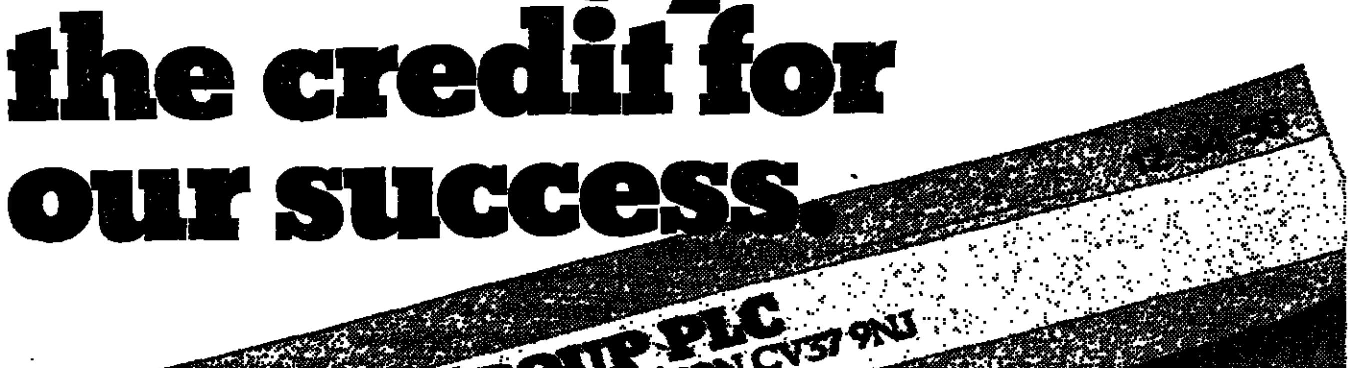

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To the Holders of

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9½% Collateral Trust Bonds Due 1985

Issued under Collateral Trust Indenture dated as of November 1, 1970

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above mentioned Indenture, $1,226,000 principal amount of the above described Bonds has been selected for redemption on November 1, 1983, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

Outstanding Bonds of $1,000 each of prefix "M" bearing the distinctive numbers ending in any of the following two digits:

11 15 16 18 37 44 45 47 50 51 60 63 74 77 84 86

Also Bonds of $1,000 each of prefix "M" bearing the following serial numbers:

364	1464	4064	10464	10864	11864	13664	15364	16264	17964	18664
1364	2064	10264	10764	10964	13364	14264	15464	16664	18064	19964

On November 1, 1983, the Bonds designated above will become due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. Said Bonds will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the **Corporate Trust Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015**, *or (b) subject to applicable* laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London, Paris or Zurich, or Credito Romangnolo S.p.A. in Milan, or Banque Générale du Luxembourg, S.A. in Luxembourg, or European-American Bank & Trust Company in New York City, or Deutsche Bank Aktiengesellschaft in Frankfurt (Main). Payments at the offices referred to in (b) above will be made by a check drawn *on*, or by a *transfer* to, a United States dollar account maintained with a bank in the Borough of Manhattan, The City of New York.

Coupons due November 1, 1983 should be detached and collected in the usual manner.

On and after November 1, 1983 interest shall cease to accrue on the Bonds herein designated *for redemption*. Following the aforesaid *redemption*, $5,000,000 *principal* amount of the Bonds will remain outstanding.

COMALCO INVESTMENTS EUROPE S.A.

Dated: September 29, 1983

NOTICE

The following Bonds previously called for redemption have not as yet been presented for payment:

M-159 191 192 2259 3048 3049 4185 4591 5149 5138 5806 7191 7785

UK NEWS

Government to speed up North Sea approvals

BY RICHARD JOHNS

GOVERNMENT approval for North Sea oil and gas projects involving an investment of about £4bn should be given by the end of this year as a result of an intensified effort by the Department of Energy to accelerate development.

Mr Alick Buchanan-Smith, Minister of State for Energy, says he intends over the next three months to decide on all 10 plans that were on his desk when he took up office in June.

Some big issues still remain to be resolved: in particular, differences over the method of exploiting British Petroleum's South-East corner of Forties Field; and whether Amoco's Arbroath structure should be considered for tax purposes as an extension of South Montrose. But the impression given in Whitehall is that most of the decisions should be cleared this year.

Of the 10 plans referred to by Mr Buchanan-Smith, the two so far approved in mid-summer, have both been gas developments in the southern basin of the North Sea – the Victor Field by Conoco, and the eastern extension of the Leman structure (under exploration by Shell-Esso in block 49/26) by Amoco in its adjoining licence areas.

Probably the front-runner for authorisation, which also accounts for the greater part of the total investment in prospect at an estimated £1.7bn, is Marathon's North Brae field, which will be the first in the North Sea to produce mainly condensates, or ultra-light oil.

Other approvals expected in the near future are Sun Oil's Balmoral field (with an estimated capital expenditure of £500m), Texaco's oil discovery in block 14/20 (£100m) and the three gas fields (£300m) – Esmond, Forbes and Gordon – for which Hamilton Brothers has already reached a price deal with British Gas.

Discussions are also understood to be advanced on Shell's south-east Indefatigable gas discovery (£500m–£600m) and Hamilton Brothers' Duncan oil prospect (£100m–£130m). In addition, approval for Britoil's small, unmanned structure to recover oil from the south-west corner of the Beatrice field is expected.

Mr Buchanan-Smith said that the Department of Energy was continuing its discussions on the development of the south-east corner of Forties and expressed hopes of an agreement.

The two parties are undertaking a joint study of potential reserves to decide whether a steel platform would be justified, as the department has maintained, or whether a sub-sea system would be sufficient, as BP has so far insisted.

Meanwhile, Amoco is still claiming that Arbroath should be treated as a separate structure from Montrose for tax purposes, and thus benefit from the tax concessions in this year's budget including abolition of royalties on future developments.

STRIKE THREAT HANGS OVER VAUXHALL RECOVERY

Car boom fuels conflict

BY BRIAN GROOM, LABOUR STAFF

THE GHOST of hot wage autumns past was abroad in a tree-lined park beside Vauxhall's Luton car plant yesterday morning, when nearly 7,000 workers voted by about three to one to strike from tomorrow night over a 7.7 per cent, 14-month pay offer.

Even if last-minute peace efforts delay or avert a national strike by the General Motors subsidiary's 14,500 manual workers, they have clearly regained their bargaining strength. Vauxhall's surge to a 14.5 per cent UK car market share from 11.7 last year (8.5 in 1981) has given the workers even more muscle power.

The offer, like last year's 8 per cent deal, is among the industry's highest. A strike would not only set back Vauxhall's recovery – it would also severely dent its record of working hours lost through disputes. These have been negligible for the past two years, compared with 1979 when 27 per cent of them were lost.

A strike, however, would not signal a general return to the bad old days of frequent stoppages, low productivity and poor quality, whether in industry at large, in most motor companies or in Vauxhall itself.

The strike threat at Vauxhall has, ironically, been made possible by the eradication of these symptoms of the so-called British disease. The workers are not trying to revert to outdated working practices. They want a reward for their year-round improved performance, which had made Vauxhall's productivity and quality comparable with that of European sister plants.

The pattern is similar at BL Cars, the state-owned motor group. Its proportion of available man-hours lost because of external or internal disputes has fallen from 7 per cent in 1977 to 0.5 per cent in 1982. This year's figure is still expected to be relatively good, in spite of the damaging "washing-up" strike at Cowley.

Although the Cowley strike coincided with the Maestro launch making BL vulnerable, there has been no general upsurge in militancy throughout Austin Rover plants to match the company's return to trading profit.

Vauxhall, the UK subsidiary of General Motors of the U.S, faces an all-out strike over pay by its 14,500 manual workers. Thousands of workers at the Luton and Dunstable plants in Bedfordshire voted yesterday to strike from tomorrow night. Union shop stewards at the third UK plant, Ellesmere Port, Merseyside, said they would recommend their members to join them.

Most BL executives attribute the Cowley dispute to over-rapid change – introduction of the Acclaim and the Maestro, replacing the Princess with the Ambassador, moving the Ambassador to another part of the plant, all done while requiring higher efficiency from workers. Unions believe it had more to do with aggressive management.

The same is true at Talbot, where disputes have almost evaporated in tandem with the fall in the workforce from 25,000 to 30,000 in the mid-1970s to nearly 6,000 now. A combination of poor trading conditions, unemployment and better industrial relations systems have contributed to this.

Much of the motor industry's militancy has disappeared because of redundancies, which have cut the numbers of people employed in British motor vehicle manufacturing from 457,500 in June 1979 to 289,300 in June 1983.

The Vauxhall and BL experiences so far suggest that when stability returns, those strikes which accompany it are of a different kind from before.

The exception to all the trends is Ford, which is watching the Vauxhall situation nervously. Its pay talks start tomorrow, and it has the same problem of persuading the workforce that despite aggressive marketing, high sales are not being reflected in high profits.

Ford of Britain makes money and has not had its back to the wall like other companies. Consequently, the old problem of frequent disputes has persisted, notably at the troubled Halewood plant on Merseyside.

The company lost output of 35,500 vehicles in 1982 – well down on the national strike year of 1978 when 168,800 were lost, but higher than the losses in 1980 and 1981. It is also not making productivity improvements as fast as it would like, even though labour and overhead efficiency improved

Last year Ford reached an 8.2 per cent pay deal after Vauxhall's 8 per cent. Its unions this year will demand a flat-rate pay rise, shorter hours, and better pensions and sick pay. BL Cars workers will receive a 5.6 per cent pay rise on November 1 as the second stage of a two-year deal.

Company profits rise 25% over first half

BY ROBIN PAULEY

THE PROFITS of British industrial and commercial companies improved by about 25 per cent in the first half of this year compared with the first half of 1982, according to official estimates published yesterday.

The effects on company profits of the sharp drop into recession coupled with a fairly steep climb back on to a recovery path has made quarterly estimates of profitability increasingly erratic and unreliable. The Central Statistical Office is therefore concentrating on half-yearly estimates which indicate a strong surge of profitability this year.

The gross trading profits, after allowing for stock appreciation, of companies operating in the North Sea was £7.3bn in the first half of 1983, a 30 per cent increase on the same period of 1982. The gross trading profits of other commercial and industrial companies, on the same basis, were £13.4bn, up by a quarter on the first half of last year.

This exceptionally strong surge in profitability may be difficult to sustain particularly in the non-oil sector, as it has been helped along by strong domestic demand, static unit labour costs and relatively low prices for commodities and raw materials.

Commodity prices are now picking up and the level of demand may slacken, with slowly rising inflation producing a similar upturn in the level of pay settlements, all exerting a dampening effect on company profits, particularly if further advances on productivity are not achieved.

The total income, including rent, non-trading income, income from abroad and stock appreciation of all industrial companies rose by £4.6bn to £26.5bn between the first half of 1982 and the first half of 1983. This was largely due to the improvement in gross trading profits, although income from abroad rose by 10 per cent from £2,147bn to £2,362bn.

Allocations from this income increased by £1.2bn to £15.5bn, but, significantly, there was no change in dividend and interest payments. The increases went on taxes, mainly petroleum revenue tax (£800m), and profits due abroad (£400m).

Directors criticise NEDC

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE INSTITUTE of Directors has launched an attack on the country's main tripartite forum, the National Economic Development Council. It describes it as a "major disappointment, even to its committed adherents."

In talks yesterday with Mr Cecil Parkinson, the Trade and Industry Secretary, the IoD called for a broadening of the council – which contains representatives of the Government, the Trades Union Congress and the Confederation of British Industry – to include other economic interests.

BR woos lost customers with faster trains

By Hazel Duffy, Transport Correspondent

BRITISH RAIL (BR) aims to win back business passengers on Inter-City routes with faster and more comfortable services.

A network of 58 executive-style services for first-class passengers will operate from next Monday. There will be improved catering, with drinks served from a trolley at the passenger's seat, easier telephone bookings, a ticket package incorporating guaranteed seats and meal vouchers, and free parking at most provincial stations.

BR is also test-marketing two new style High Speed Trains on services from Paddington, and two Pullman trains on the Euston to Manchester route. These trains will also include new seating derived from the Advanced Passenger Train.

Another attraction with which BR hopes to regain passengers will be the availability of telephones on trains. A prototype car telephone is being tested on the London – Bristol – South Wales route, but wider coverage must wait for the development of cellular radio systems permitting call-boxes to be installed

BR's plans to beat off competition from express coaches in the predominantly leisure market will concentrate on discounted fares tailored to certain routes

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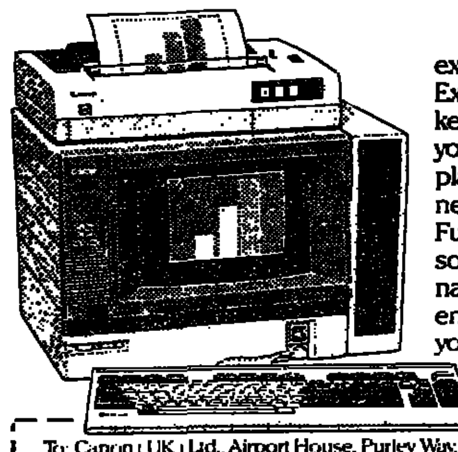

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UK NEWS

Ian Rodger outlines how an aluminium company has recovered

Alcan prepares for next recession

THE NEXT recession is worrying Mr George Russell, managing director of British Alcan Aluminium.

"If there is to be a UK aluminium industry at all after the next recession, we are going to have to be a lot better prepared than we were for the last one," he said after this week's publication of the group's dramatically improved half-year figures.

The UK industry's two leading companies, Alcan and British Aluminium, nearly disappeared because of recession. Both suffered from excess capacity, high costs and a misplaced focus on each other rather than on strong foreign competitors eroding their markets.

Neither company could cope as world prices fell to their lowest levels since 1976. They lost £48m between them in 1981, and Baco had to close its main smelter at Invergordon in Scotland because of high electric power costs. Last year, the two recorded another £90m in losses.

Many analysts thought Alcan Aluminium of Canada made a big mistake in paying £30m late last year to take over Baco and try to rescue the industry.

Today, Mr David Culver, Alcan's president, says the decision was simply a vote of confidence in Britain. He said: "I've worked in the UK, and I just think that the state of mind of the people there is so different from anything we have seen for a long time."

Mr Russell attributes much of the progress so far to unusually favourable conditions. There were, he points out, three weeks between the announcement of the deal and its conclusion, giving managers on the two sides time to work out their senior staffing plans.

Study groups were quickly commissioned to assess the technological and commercial value of the various plants. They reported back at the end of January, and the main rationalisation programme was announced in the second week of February.

The Baco hot mill at Falkirk in Scotland, Alcan's extrusion presses at Rogerstone in Wales, and Alcan's foil rolling operation at Kitts Green in the West Midlands were all closed with the loss of 1,200 jobs.

Mr Russell said the group's cost base has been cut by about £40m per year, or about 8 per cent.

"I must admit surprise at how well it is working, but we really have to wait another five or six months to see how or if the jigsaw fits," he said.

Mr Russell acknowledged that some customers, whose orders have been transferred from one plant to another, are not yet satisifed with the company's performance, but he was confident that problems would be solved.

British Alcan had budgeted for a decline in market share on the assumption that some customers formerly bought from both Alcan and Baco and would now seek another second supplier.

This, however, has not occurred, leading directors to believe that most customers dealt with only one of the predecessor companies, and another supplier.

The group's major remaining headache is the Rogerstone rolling mill complex. Mr Russell said this was the biggest single drain on either company before the merger, because of inefficient work practices and underused capacity.

There were 350 redundancies from Rogerstone's 1,500 workforce early this year, and loading of the mills has improved since the Falkirk hot mill was closed at the end of June.

Mr Russell said the dramatic improvement in aluminium prices was having very little effect on the group's rationalisation plans. A few small fabricating plants that might have closed, have been kept open, but capital spending is still being kept to a minimum £6m per year for what he called "body alive work."

Although the group was now suffering small shortages of metal, it was definitely not interested in investing heavily in expanding its smelter capacity, either through reopening the Invergordon smelter or by other means. Its investment priority was to refurbish existing plants.

Dragon shareholders near to bank accord

BY CHARLES BATCHELOR

SHAREHOLDERS of Dragon Data, who stepped in earlier this month with a £2.5m rescue package for the South Wales microcomputer maker, hope to reach agreement with its bankers later this week guaranteeing continued bank support.

Dragon, which was launched by Mettoy, the Corgi toy-making group, ran into cash flow problems resulting from disappointing summer sales levels and a price war among computer manufacturers.

Its shareholders, led by Prutec, the venture capital arm of the Prudential Assurance group, had to agree the £2.5m package of loans and guarantees on September 2 after a surprise announcement from Mettoy that Dragon was in trouble.

Dragon's shareholders reached rapid agreement on support for the company, but talks with its two banks, Midland and Hill Samuel, on their continued support have taken longer than expected.

The banks are understood to have been concerned that Dragon had not provided them with full information about its financial position. At one stage, Dragon's backers contemplated seeking other banking backers. But the differences have since been resolved and the finishing touches are now being put to the agreement.

Mr Brian Moore, deputy manager of Satchwell Controls, part of General Electric, has been appointed as chief executive at Dragon. He replaces Mr Tony Clarke, a Mettoy appointee, who stepped down when the company's problems were announced.

Dragon's shareholders are Prutec, with 42 per cent; the Welsh Development Agency with 23 per cent; Mettoy with 15.5 per cent; and the National Water Council, Fountain Development Capital Fund, F & C Enterprise Trust and Dragon executives with a combined 19.5 per cent.

Since the announcement of the rescue package, Dragon has reported an upturn in demand and has increased its workforce by 10 to 216.

Port of London seeks no-strike agreement

BY BRIAN GROOM, LABOUR STAFF

THE PORT of London Authority (PLA) is seeking a no-strike agreement linked to a two-year pay deal with its dockers and ship's clerks in an attempt to recapture trade and stave off serious financial difficulties.

The PLA has lost 25 per cent of its trade as a result of two disputes involving dockers and clerks this year. It believes the reputation for unreliability which it has acquired is the major barrier to winning new business.

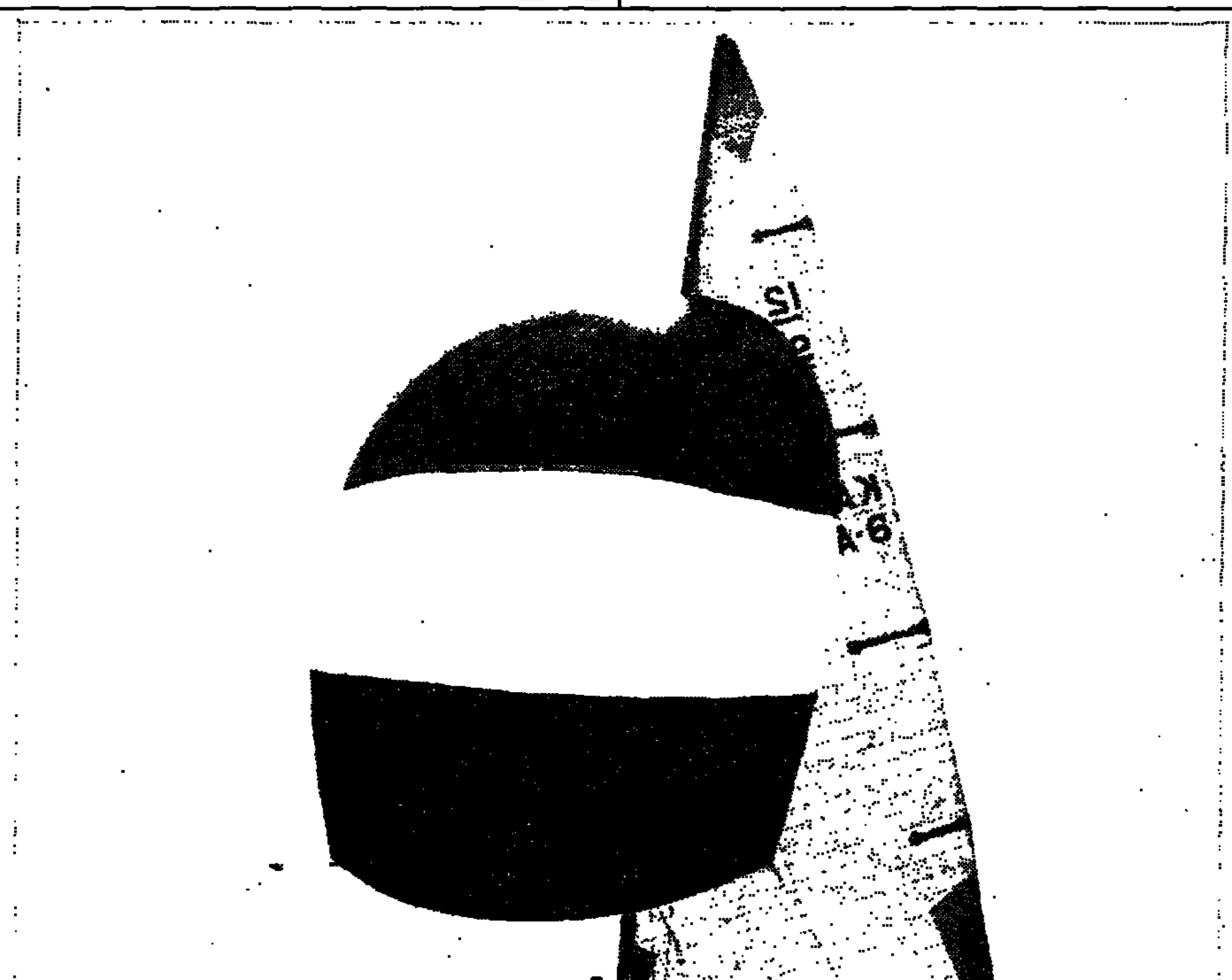
Mr John Black, chief executive, told managers and union representatives after a recent visit to Canada: "There is so much antagonism by shippers, receivers and some shipping companies that unless we have something new to sell we are dead."

Mr Black is due to meet Mr Tom King, the Transport Secretary, next month to discuss the authority's problems. The Government is deeply worried about the situation, and there are fears among employers in other ports of a national dock strike if the PLA's finances collapse and dockers lose their jobs.

The Government is refusing to meet any more operating losses by the PLA. The £6m cost of the eight-week dockers' strike, the roughly £3m annual cost of paying dockers for whom it has no work, and the lost traffic make the authority's position dire. It is making ends meet by negotiating the sale of the disused Royal Victoria dock to the London Docklands Development Corporation.

The PLA would like to have the two-year pay deal and no-strike agreement in place by January 1 1984. It has approached the Transport and General Workers' Union informally, and the union is awaiting the response from its branches.

The port employers – mainly the PLA – would like to shed 429 registered dock workers from the 4,000-strong London register, but the response to a redundancy scheme has been disappointing.



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APPOINTMENTS

Racal Research director

RACAL RESEARCH has appointed Professor Henry Beker as director of research. He was formerly with Racal-Comsec at Salisbury. As head of the digital signal processing group for which he has a special responsibility, he will oversee the development of this technique. At Racal-Comsec Prof. Beker developed the department that eventually became responsible for the cryptographic design of communications security devices. He is visiting professor in information technology at Westfield College, London University.

★

Mr Paul H. Boschma has been elected international executive of KMG, a trans-national organisation which provides auditing, accounting, taxation and management consultancy services. He succeeds Mr Jan Uiterlinden on October 1. Mr Uiterlinden, who served as international executive since the formation of KMG in 1979, will continue as a partner in the KMG Netherlands member firm, KKC, of which Mr Boschma is also a partner. Thomson McLintock and Co is the British member of the group. Three regional executives have been named. Mr Kenneth S. Gunning has become chairman of Region II (North America). Mr Thomas S. Leonard takes over as chairman of Region III (Central and South America) and Mr Anthony H. E. Kewin is the new chairman of Region IV (Asia and Australasia). Together with Mr Guenther Schultz from Switzerland, all become members of the central management committee of KMG.

★

ICARUS COMPUTER SYSTEMS has appointed Mr Brian R. Jones as director of marketing and sales after 12 months with the company; and Mr James M. Reilly becomes Icarus's new financial director, moving on to the board following 14 months in charge of the company's financial interests.

★

Following acquisition of Sarco Company Inc in the U.S., appointments have been made by SPIRAX-SARCO ENGINEERING. Mr C. J. Tappin has become deputy group managing director in addition to managing director of the main operating company, Spirax-Sarco. Mr T. B. Fortune has become group manufacturing director (Spirax Sarco products) in addition to manufacturing director of Spirax-Sarco. Mr S. J. D. Gegg has become group sales director (Spirax Sarco products) in addition to sales director of Spirax-Sarco. Mr S. J. Harris has become group financial director and continues as secretary.

★

Mr Peter Wakefield has been appointed a director of N. M. Rothschild's fund management subsidiary, N. M. ROTHSCHILD

Prof. Henry Beker, directors of research, Racal Research

ASSET MANAGEMENT. He joins as deputy head of the pension fund department. He was previously investment manager at Clerical Medical and General Assurance Society.

★

Mr David Gordon, former managing director of Key Markets, has been appointed to the board of SINGLO GROUP, as an executive director.

★

Mr Brian E. Hayden has been appointed to the board of HENRY WIGFALL AND SON, Sheffield, as system and administration director. He was director of credit development and head of group planning and administration with Allders Department Stores.

CONTRACTS

Over £10m for Pochin's

A £2m factory to be built by POCHIN'S at Wrexham, North Wales, in a joint venture with the local borough council. The 80,000 sq ft factory and offices on the Gresford Industrial Estate is to be leased by Metal Box on completion and will eventually provide 200 new jobs in the area. Other contracts awarded to Pochin's include an army camp redevelopment for the Property Services Agency at Chester (£6.8m); an office development in Chester (£800,000); refuelling facilities at RAF Valley on Anglesey (£330,000); a cold store for Sealink at Holyhead £100,000) and a boilerhouse at Risley Remand Centre in Cheshire (£750,000).

★

ICL has won a £625,000 contract with the Sembawang Group, Singapore. The order is for a 2957 mainframe computer and 25 distributed resource systems. The Sembawang Group is a conglomerate engaged in ship repairing, owning and management, tug services, engineering, oil industry fabrication, diesel engine manufacturing and financial investment.

★

COLES CRANES has won a multi-million pound order with the British army for 80 of its cranes. The order is for the model 315M all-terrain truck crane. The cranes will be built in Sunderland and delivery will be complete within 12 months. Ministry of Defence requirements for the cranes are that they are capable of being used for br/ige building; can handle heavy assemblies on army fighting vehicles; can be handled from the base forward; and can run in convoy at high road speeds and still be immediately available for off-highway work. The crane can lift 15 tonnes and has an underhook height of 12.7 metres. It has three on-wheel capabilities up to nine tonnes.

★

KALDAIR has been awarded a contract to supply a nitrogen generation unit in the Buchan Field of the North Sea. The order is expected to be worth almost £500,000. The generation unit will be used to supply nitrogen for gas lifting wells into production when no natural gas is available. The overall capacity of this system, which will also be used to meet the platform's purging requirements, means that the pressure swing absorbtion unit which will be used, is the largest of its kind to be installed offshore.

★

The TOWCO GROUP has won £135,000 worth of mechanical and electrical services contracts for PSA projects at army barracks—the Duke of Yorks, Chelsea; Combermere, Windsor; and Hardinge and Cavalry Barracks at Hounslow.

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UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1982							
3rd qtr.	98.8	93.6	84	108.9	150.7	2,837	111
4th qtr.	98.3	92.9	92	110.7	184.5	2,913	115
1983							
1st qtr.	99.5	94.5	85	111.1	153.1	3,003	124
2nd qtr.	99.6	94.2	88	113.6	158.7	2,987	135
January	99.5	95.6	80	110.1	154.7	2,983	122
February	100.1	94.2	95	111.1	148.9	3,001	124
March	99.0	93.6	80	111.9	155.1	3,026	126
April	99.7	94.3	94	112.9	157.8	3,021	134
May	100.4	94.7	87	113.7	159.1	2,970	131
June	98.6	93.7	85	114.0	159.1	2,968	139
July	100.7	95.4		113.9	166.8	2,957	153
August				113.0		2,941	162

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
3rd qtr.	93.8	91.0	104.7	92.1	102.9	87.5	17.1
4th qtr.	94.1	90.6	103.7	91.6	93.6	87.0	15.1
1983							
1st qtr.	95.5	92.4	104.8	93.4	100.8	87.6	18.1
2nd qtr.	95.3	91.0	105.7	92.8	105.7	87.0	19.6
January	97.0	93.0	104.0	94.0	103.0	88.0	15.6
February	95.0	93.0	106.0	94.0	100.0	87.0	18.2
March	95.0	91.0	105.0	92.0	100.0	88.0	20.1
April	95.0	91.0	106.0	93.0	108.0	87.0	17.3
May	96.0	92.0	107.0	93.0	105.0	87.0	18.6
June	95.0	90.0	105.0	92.0	104.0	87.0	22.9
July	97.0	92.0	107.0	94.0	111.0	89.0	17.4

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
3rd qtr.	99.4	98.9	+567	+1,272	+1,313	99.8	18.3
4th qtr.	104.6	99.3	+1,215	+2,420	+1,736	98.7	17.0
1983							
1st qtr.	103.5	106.6	−194	+779	+1,764	97.8	17.34
2nd qtr.	101.2	107.7	−654	−313	+1,490	98.0	17.71
January	95.6	109.0	−470	−146	+529	98.6	16.85
February	104.1	107.5	−121	+204	−613	97.5	16.58
March	110.9	103.3	+397	+721	+622	97.1	17.34
April	98.6	106.6	−310	−196	+485	97.4	17.66
May	98.7	110.2	−506	−393	+420	97.7	17.92
June	106.2	106.5	+162	+276	+585	99.1	17.71
July	97.0	108.1	−350	−190	+440	99.0	17.94
August	100.4	108.6	−138	+ 22	+569	99.8	18.01

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1982							
3rd qtr.	15.6	9.1	28.3	+4,738	1,796	2,323	10.50
4th qtr.	17.2	12.2	26.9	+4,293	2,139	2,473	10.13
December	14.9	8.8	23.2	+ 730	490	848	10.13
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,499	10.50
2nd qtr.	15.3	14.6	15.0	+5,055	1,071	2,498	9.50
January	7.2	6.8	6.7	+1,099	391	857	11.00
February	10.6	7.6	13.1	−1,309	386	792	11.00
March	10.7	10.0	11.9	+2,048	397	850	10.50
April	12.1	13.7	13.6	+2,010	433	783	10.00
May	15.6	13.5	12.8	+1,089	319	847	10.00
June	18.1	16.5	18.5	+1,956	319	868	9.50
July	14.0	12.5	21.5	+ 778	739	783	9.50
August	11.5	10.8	22.5	+ 667	525		9.50

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
3rd qtr.	227.8	115.4	118.7	323.0	297.0	228.88	91.5
4th qtr.	231.3	119.4	120.1	325.4	298.5	238.84	89.1
1983							
1st qtr.	235.9	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	240.8	123.7	124.2	333.7	306.3	272.89	84.3
January	232.4	124.1	121.2	325.9	301.8	255.45	81.9
February	231.1	125.4	121.7	327.3	302.1	256.25	80.7
March	238.2	124.2	122.4	327.9	302.4	277.29	79.1
April	237.7	123.1	123.6	332.6	304.6	274.56	82.8
May	241.1	123.8	124.3	333.9	305.6	267.01	84.9
June	243.8	124.0	124.6	334.7	306.8	272.89	85.2
July	247.6	123.2	124.7	336.5	308.7	282.26	84.8
August		124.2	125.0	338.0	309.4	293.02	85.1

* Not seasonally adjusted.

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THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Feona McEwan on the latest in UK retailing...

Now is the time to plug a gap

IN THE beginning, of course, there was Habitat. Then came Next, the Hepworth womenswear chain, followed by the Mothercare takeover, with Heals in its wake. Now there's Now.

So the Conran machine marches on up the high street. The man to whom a new door is always opening, this week unlocks five more as he aims to plug yet another gap in the market with his newest venture—this time in the teenage clothing field. For Sir Terence, living up to his role as an innovator in the UK retail trade, it notches up another first.

Hardly surprising, you say, from the retailer whose nose for marketing chances and flair for design have been pushing back the frontiers of high street shopping for the past 19 years. Ever since he unleashed his first Habitat shop in London's Fulham Road in 1964 he's been raising standards by example and turning the business of buying from a chore into a pleasure.

From Saturday, boys and girls aged between 10 and 16 years will be specially catered for in five new shops aimed exclusively at them.

No UK retailer has attempted to tackle this tricky and fragmented market so singlemindedly — as many a foot-weary mother knows after slogging round the specialist departments of large chainstores. Neither child nor adult, the young teenager has been starved of choice.

Other retailers' experience suggests that Conran should find a receptive audience. C & A, which has run a successful childrens-wear department for years which includes young teenager sizes, finds young girls especially do not like shopping in childrenswear, preferring a boutique arrangement.

Laura Ashley's decision two years ago to extend its sizing downwards to include a size 8 —though just a token gesture —has been enthusiastically received. And Marks and Spencer, while its only venture into this specialist market so far was short lived, regards teenagers as an important target for the future. Three years ago it opened a special teenage department in its flagship Marble Arch store — but integrated it back into the main store when it didn't pay its way.

Now, of course, is a much more ambitious concept but why should Conran's bold strategy succeed where others have only dipped a toe in the water?

Sir Terence Conran in the Hammersmith branch of Now: "Does anyone think we can fail?"

"He understands the importance of strong identity," according to a City stores analyst. "It's a key factor in retailing now. So many retailers have extended their product ranges that they are now blurred at the edges. Now stands out on its own and is therefore likely to achieve a strong consumer image."

How risky is the venture? Not very, says Conran predictably. "Does anyone think we can fail?" he asked his staff in one shop with an amused twinkle. Many City analysts would agree. "Pretty sure it'll do well" is a general opinion. "We think the tightrope is to make Now into a shop that teenagers will like and yet that parents will feel is sufficiently respectable," says Conran.

"We're not attempting to cater for high teenage fashion. That really is a dicey business best left to the owner-occupiers of boutiques. What we're offering is a range of clothes reasonably priced and of good quality bought by the Mothercare team, yet not dreary like school uniforms."

If individually the garments don't strike you as exceptional — indeed it might be possible to find similar items by scouring other stores — it is the overall collection and the way it's presented that gives the Conran operation its distinct stamp.

He knows well that it's not just what you sell but the way you sell it. As a well-presented meal stimulates the appetite so display and packaging play a leading role in the buying process.

Rows of colour co-ordinated garments stacked in columns of chic grey mesh strike the eye handsomely as you enter the shop. Also the central counter, on which Conran places much faith (selling keyrings, earrings, pencil sharpeners) is positioned next to the till to tempt the spontaneous pocket-money spender.

But a pretty face in itself isn't enough to fill the coffers, as the demise of Biba, the fashionable London store, illustrates. Conran philosophy backs quality over price every time. He knows the and sticks to it. Everything must pass muster; fabric swatches pass across his desk, however fleetingly, for approval.

Conran's design flair is renowned. Now thanks to the 1981 merger with Mothercare he has the back-up of that company's sophisticated computerised management systems. It is this combination *that has enabled him to put* Now on the streets after just seven months' gestation.

"It shows a further increase in the role of the specialist retailer," one City stores analyst says. Certainly the retail world will be monitoring its progress with keen interest. "It's a good thing," says C & A. "It highlights the need. It'll be interesting to see what a specialist shop can do." "We look forward to Now," says Marks and Spencer. "It can only generate new interest and attract new shoppers into areas where the outlets are."

If Now is a success—and according to the Mothercare team it will know in the first six weeks—what began as an experiment could become a fixture in our high streets with another 20 branches appearing next year. There is a chance, then, that Now could indeed last forever.

... James Buxton on a major Italian stores group

The challenge of a hostile environment

IMAGINE running a chain of department stores and supermarkets in a country where the law has effectively frozen the number of larger shops at about where it stood in the early 1970s, and in which the supposed economies of scale enjoyed by large stores count for little when many of the small shops with which they are competing are operating in or near the Black Economy.

These are the problems faced by La Rinascente, one of the country's biggest and certainly its most prestigious stores group. They add up to a marketing nightmare. The retailing revolution which has swept most of Europe and North America—large stores, shopping centres, powerful retail chains — has hardly affected Italy.

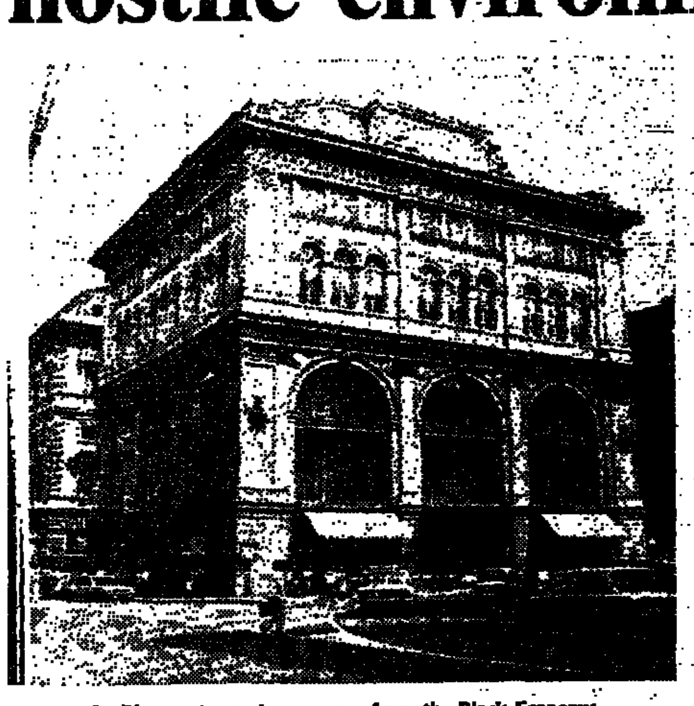
Modern Italy still has 920,000 shops of less than 5,050 square metres, the number of shops per capita is twice what it is in West Germany and there is the further hazard of 250,000 registered street traders — not to mention many thousands more who are politely described as "not registered."

The challenge facing groups like La Rinascente is how to find a profitable—and expandable—niche in this welter of competition. "The big U.S. stores can measure themselves against each other," says Rafaele Miraglia, the company's deputy commercial manager. "We have to compete with the mass of shops in the immediate area surrounding each of our stores."

Despite all these handicaps, however, La Rinascente's latest financial results are beginning to show that the skilful use of almost any amount of space, however limited, can pay off.

Rinascente's net profits rose from L11.7bn (£5m) in 1979 on sales of L909bn (£380m) to *L32bn last year on sales of* L1,572bn. But those are still modest profits and the current recession is biting hard, making ever more crucial the question of how it markets itself in a hostile environment.

The Rinascente group—born way back in 1917 out of the ruins of another company—now has 14 department stores bearing its name. The two in Rome are, by London standards, extremely small. There are also about 200 variety stores called Upim, which sell food as well as clothes and other goods, about 50 supermarkets named SMA (concentrating on food), seven hypermarkets (all in the more advanced North) and seven cash and carries (four of them in the South). One or two stores are opened a year and others closed—the group's sales floor area stands at 548,000 sq metres—but there is little chance, while the law stays the same, of any major expansion. The group has, broadly, to live with what it has.



La Rinascente: under pressure from the Black Economy

In the 1970s the supermarkets and food departments of Upim faced the disadvantage that many shoppers associated them with selling prepacked food, tins and frozen goods, rather than fresh food. It was *hard to break the average* Italian housewife's habit of buying fresh food daily at a number of little shop, taking on the gossip from one to the next and even haggling over the price.

However, the recession which began in Italy in 1981 helped the supermarkets. As family budgets became tighter. shoppers went to the bigger shops in search of cheaper prices and a greater selection. The Rinascente group's response with its supermarket chain has been to emphasise fresh food: fresh, not prepackaged cheese, meat, vegetables, etc., increasingly served personally at special counters inside the supermarkets.

The seven SMAs which have so far been reconstructed to promote the sale of fresh food are going well, with a 10 per cent increase in customers and a 30 per cent rise in what they spend. The aim is to lure the shopper away from the habit of going to the supermarket only once a week and get her into the store every day.

The effect is already beginning to show up in Rinascente's results. In 1982 the group's sales rose by 17.6 per cent compared with an *inflation rate of 16.5 per cent.* Within that growth the fastest growing sector was food, sales of which grew by almost 29 per cent, while the supermarket chain's sales rose 28 per cent on the basis of unchanged floor area.

The Upim variety stores and the department stores have more intractable marketing problems. They face competition on two fronts: first, from the specialised clothing and household equipment stores which, while retaining their traditional sales methods (the customer has to tell the shop assistant what he wants and can often obtain a discount), have become sophisticated in their presentation and invest heavily in smart premises.

For those who are impatient with this sales method, there is the second form of competition, from shops in the Benetton chain and its imitators, which allow customers to go to the shelves and select the knitwear and jeans they wish to buy.

Rinascente can match the Benetton type of store only by providing more choice under one roof. In competition with the traditional clothes shop it can stress the advantages of letting the customer roam freely and of offering fixed, displayed prices.

The Rinascente department stores and Upims present a contrast to the often rather formal and intimidating traditional shops. The atmosphere in the Piazza Colonna store in Rome has a somewhat downmarket atmosphere aimed at younger shoppers with rock music playing and inexpensive clothes, most of them bearing the Rinascente label. The company's flagship store next to Milan cathedral is smarter and has recently been refurbished. Perhaps as a consequence its sales rose 13 per cent last year, while those of the department stores as a whole rose only 3 per cent —a substantial decline in real terms, which the company attributes to recession.

The Upim stores saw their sales rise by only 9 per cent last year, a depressing performance for a sector that accounts for almost half total group turnover. "The variety store is declining everywhere," says Miraglia. "The trend is towards specialist stores, but bigger and better than before. As generalists we can only compete with specialist shops by specialising more ourselves."

As a result departments are being cut out, such as those selling home electrical equipment—"we can't offer the discounts that specialist dealers give, and so the floor space such equipment takes up doesn't justify itself."

Rinascente is opening up the first of a chain of do-it-yourself equipment shops in Turin, and is soon to embark on a new venture—fast food. Rinascente will have to overcome a national suspicion of anything that is not cooked as mother did but other Italian entrepreneurs believe Italy may now be ready for the fast food revolution.

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THE ARTS

The Country Girl/Apollo

Michael Coveney

London knows this full-blooded backstage comedy as *Winter Journey*, performed in 1952 by Michael Redgrave, Sam Wanamaker and Googie Withers. Robin Lefèvre's revival, which takes a good while to catch fire, reverts to the original title of a play in which Clifford Odets, according to Brooks Atkinson, "absented himself from the cosmos . . . and wrote a touching sentimental drama."

A little passé, I feel, to insist with his detractors that Odets sold out in the twilight of his career. A Watford Palace revival of *The Big Knife* last year was a revelation, with Ian McShane as the cardboard Hollywood star. If the model for that role was John Garfield, there is more than a touch of John Barrymore about Frank Elgin, the alcoholic has-been lion given a final chance on the boards by a child fan newly grown to method-influenced director.

The fine poise and balance of the play resides in the character of Frank's wife, Georgie, the country girl. Bernie the director gets to Frank through her good offices and, indeed, attraction for him. Will Frank make it through the opening night on Broadway, will he learn his lines, will he keep off the bottle? And will his marriage survive this sudden jolt to his ailing career?

In his upcoming autobiography, Redgrave reserves two fascinating pages for his falling out with Wanamaker, and you feel that a little of their animated loathing would not go amiss in the early scenes of this production. John Stride as Frank goes suitably wild and daemonic in the latter stages, but he hardly suggests a ruined thespian down on his luck to start with. The tone of Hannah Gordon's Georgie is similarly awry, reeking for most of the evening of matronly charm rather than innocent despair. Until the interval, I was secretly yearning for the admittedly bizarre readings of Laurence Payne and Eleanor Bron in a touring version I caught in Croydon four years ago.

But the show gathers pace quite magnificently, mainly due to Martin Shaw as the director. Mr Shaw is the only actor I know with bags under his cheek bones. He presents, with style and flair, the figure of an ambitious, fast-talking instinctive director with whom Odets was several times familiar in the Group Theatre days.

The sight of Mr Stride finding his rhythm on the road, back in harness and "winging like a lark" is a splendid one, and the backstage aroma is well caught in the playwright of Paul Unger, the stage manager of Michael Percival and the craven producer of the aptly surnamed Simon Merrick.

Talking of aromas, the house is filled for most of the night with the sickly sweet stench of herbal cigarettes, a sign that neither male lead is a real smoker. No, m'lud, I don't *think* it's marijuana.

The dispiriting chill of the Boston try-out theatre is well realised in John Byrne's design, using drapes and solid pieces on a black surround and finally yielding a sleek walnut art-deco dressing-room on Broadway. The kiss, as it should be, is shocking in context. It seals a fine performance by Mr Shaw and almost obliterates what is less satisfactory earlier on.

John Stride and Hannah Gordon

Pianola and chorus/Purcell Room

David Murray

Rex Lawson again brought one of his pianolas to the South Bank on Tuesday, and a lot of piano rolls and this time James Wood's new London Chamber Choir too. Mr Lawson's waist-length beard provided a focal point for a programme that catered to very different sorts of interest.

It included no reproductions of great pianists' performances: instead there were pieces composed directly for the player-piano (which can do things impossible for human fingers), and sections of *Petrushka* and *Rite of Spring* transcribed for the instrument by Stravinsky himself, and other transcriptions of music intended originally for piano solo, duet or duo.

These last are interesting chiefly to pianolists, who may — as Lawson demonstrated — exercise much subtler control over the unrolling music than you might suppose. The most charming item was Szymanowski's *Thème Varié* on a roll cut 50 years ago by Frederick Evans with great sensitivity: the dimmest was a transcription of Ravel's four-hand version of Debussy's *Après-midi d'un faune*, which sounded subfusc and ill-balanced. Often the pianola seemed too gentle, making a less exciting noise than a live performer would do — perhaps a reflection of Lawson's own taste, perhaps only of the fact that most piano rolls were designed for domestic use.

Certainly the piano part of Brahms' *Liebesliederwalzer* was too reticent, leaving the enthusiastic choir under-supported. On their own in Ernst Toch's "Geographical Fugue," a spoken-and-shouted *jeu d'esprit* on succulent place-names, they were excellent. Stravinsky's quasi-documents were interesting, though one couldn't guess how far Lawson was "interpreting" them.

All the proper pianola music was delightful and inventive: besides Stravinsky's familiar Etude there were clever studies by Toch and a Hindemith Toccata. One of Conlon Nancarrow's amazing studies on Ampico rolls would have been welcome. Another time, perhaps.

Tennstedt/Festival Hall

Andrew Clements

Klaus Tennstedt opened his first season as the London Philharmonic's principal conductor last week with Beethoven's ninth symphony, reviewed here with qualified praise by Dominic Gill. The matching of temperament to repertory is clearly going to be a crucial factor in Tennstedt's tenure; he has founded his reputation at least in London on Bruckner and Mahler and has stepped warily through the rest of the 19th century.

On paper, Tuesday night's Festival Hall promised a variably rewarding response, and so it proved. Even had Ivo Pogorelich not been the soloist, it would have guaranteed a sell-out: Rimsky-Korsakov's *Night on a Bare Mountain* (so far in spirit and sonority from Musorgsky's original as to qualify as a recomposition), Chaikovsky's first piano concerto and *Also sprach Zarathustra*.

Fiery, excitable Rimsky, with languorous, seductive woodwind playing, was balanced by excitable, ultimately vapid Strauss. It is a treacherously thin tone poem under the most sympathetic baton; Tennstedt made it seem more than usually short-breathed. He handled the broad paragraphs of the opening section with undeserved nobility, gave the "Dance-Song" a rather earnest Viennese lilt, shaped the slithering fugue with fastidiousness. But the more frantic transitions were dangerously over-heated; little refinement was left for the epilogue.

The concerto was more obviously unsatisfactory, yet graced by some moments of superlative pianism, breathtaking in their textural imagination and control. One day Pogorelich will offer an arresting and individual account of this most abused of concertos. The bones are already there—rich in Lisztian overtones (in the first movement cadenza especially), featherlight in passagework and yet always ready to draw a wispy impressionist gauze across a savoured phrase. But still he is too fond of following where fancy leads and this waywardness jarred against Tennstedt's straightforward theatricality.

Double Bill/Upstream

Martin Hoyle

Andrew Visnevski's Cherub company is back in Waterloo, resilient, and unbowed as ever. The virtues that made last year's *Twelfth Night* a fascinating box of delights surface fitfully in these two plays by expatriate Americans: vitality, visual imagination, and a company of young unknowns whose crisp technique remind one of how soggily played supporting roles can be in more richly endowed establishments.

The opening fairy-tale is archly *faux-naïf*. Kate Vandegrift was a novelist, *inter alia*, and her pleasure in language would make *Unicorn Unchanged* a suitable piece for radio. The effect of characters speaking their own stage directions — "She grasps the support and staggers," exclaims the Queen, doing just that; and "For the first time emotion breaks through the polished demeanour", observes her spouse before letting rip — is to pile wordiness on to a mock fable that needs the deadpan spareness of a Thurber cartoon.

The nursery style contrasts with the anecdote's sour substance. A superstitious queen seeks the unicorn as a cure for barrenness. The rampant beast closes with her, clutching its horn in a position not generally associated with that protruberance. After the interlocked couple are killed by the king's favourite (who caters on the side to his master's more specialised desires) the forest and its animals are destroyed.
ination, and a company of you

The mock simplicity eventually cloys, obscuring the tart comment on male vanity, enforced female role-playing and the danger of proprietorial attitudes towards other people.

The Gold Sarcophagus of Roxanne Shafer's play is a cage wheeled on by a sinister auctioneer-cum-ringmaster containing four old people in half-masks out of expressionist-symbolist theatre. They confide to us their various hopes: peaceful old age, influence, the return of youthful beauty. Fat chance. They are alternately offered for sale and displayed as freakish fairground targets for stoning.

Ms Shafer has some horrific insights into the way we think of age. "I'd rather be dead than get old" sums up the distasteful hostility of the mature, while the young see Granny figures as thinly disguised domestic servants. The play is long and ultimately too disjointed, but nobly served by Mr Visnevski's direction and, as with *Unicorn*, the well-drilled cast. Derek Hutchinson catches American - Jewish resonances beautifully; and Mary Keegan, in both plays, shows attack, intelligence and attractiveness.

Record Review

A cause for cautious celebration

Alceste is the title of two Gluck operas—closely related by common subject matter and common musical material, very different in style and format. Of the first opera—the so-called second "Reform opera," written to Calzabigi's Italian libretto for Vienna in 1767—there has lasted long in the catalogue a respectable Decca recording led by Kirsten Flagstad. But of the second—the reworking, to a French text, for Paris nine years later, the form in which *Alceste* is always found today—a worthwhile complete recording has long been one of the gramophone's most aching lacunae.

But now at last, from a little-known German label there comes an all-but-complete (only a handful of repeats and the final dance suite missing) Munich issue of the Paris *Alceste*; and its very existence, in tolerable sound, would be cause enough for celebration even were the performance substantially less good. It is not ideal, but it was made with care, seriousness, and a very evident love of the work—virtues, both in Gluck interpretation and in the recording business, still much to be prized.

Alceste, in either version, constitute's Gluck's grandest operatic conception. That conception was imperfectly realised for the theatre because of built-in constrictions in the plot, and in consequence of the difficulty composer and respective librettists experienced in bringing either version to a fully effective ending. But if the dramatic range is narrow, the musical is broad; *Alceste* is filled with music that sounds monumental and dull only when it is thus played and sung—and radiantly upliftingly beautiful when, as here, it is comprehendingly delivered.

The occupant of the title role and the conductor are the opera's all-important columnar supports; serious weakness in either imperils the whole edifice. By Jessye Norman and Serge Baudo it is held secure, if less than triumphantly so. Miss Norman has not yet tested on stage one of the most sublime but cruelly taxing dramatic soprano roles in the repertory. It shows. The singing is unfailingly sensitive, supple, lambent, long of line, at its most womanly and tender in the third and final act. But it is not heroic singing, owing at least partly to the thinning out of the singer's top three or four notes relative to the rest of her sumptuous instrument (a thinning out in the very region where Gluck places his most demanding climaxes).

And it is not fully dramatic singing. Miss Norman pronounces the French language with some refinement but without the naturalness born of either native inheritance or hard theatrical grounding. Recitatives, those vehicles for Gluck's most psychologically perceptive dramatisation, have little of the controlled fire that Dame Janet brought to them; arias expressive of passionate emotion sound oddly externalised. Miss Norman's Alcestis is in many respects an exquisite portrayal, and comment of this kind will seem stingy; but the classical standards of Gluck singing on record have been set by such supremely eloquent sopranos as Frida Leider, Suzanne Balguerie, and the great Callas, and it is by them that this fine and noble performer deserves to be measured.

Baudo obtains clear, well-ordered execution, lacking only French forwardness of timbre, from orchestra and chorus. He understands the secret of keeping the music moving even at slow tempos; Gluck's famous "beautiful simplicity" is realised as a positive feature of the drama, in limpid, graceful rendition. One misses the warmth (which need not preclude steadiness of unfolding) that Mackerras realised in it also—the memorable alertness of inner parts, the "vocal" shaping of Gluck's wonderfully unadorned wind solos. Gedda's Admetus, grown less limber in the 22 year since he recorded Alceste excerpts for EMI under Prêtre, has matured into a serious, dignified characterisation. The lower voices—a commanding line-up. Krause (High Priest), Nimsgern (Hercules), Weikl (Apollo)—are all vigorous, slightly thick.

Hercules, an unsatisfactory late addition to Gluck's Paris Act 3, is in Handel's "musical drama" of three decades or so earlier a typically full and rounded characterisation — heroic but also pompous, a bit of a blusterer and a braggart. His performance, by John Tomlinson, is one of the good things about the highly accomplished new Archiv set, which makes Hercules available on records after a gap almost as long and as distressing as that left by Alceste.

The high accomplishment is familiar from Eliot Gardiner's London concert performances: an excellent small chorus in sharp definition at all times, the fresh, unencumbered sound of well-played period instruments, polish and dramatic sense combined in most of the solo parts (even if it is possible to find Jennifer Smith's Iole a bit cool, and Anthony Rolfe Johnson's Hyllus a bit croony).

Yet doubts, provoked by those concerts, about the total fitness of that accomplishment to what is arguably Handel's most profoundly serious and tragic dramatic creation are not wholly allayed here. The style wants gravity: even in such passages as the "Jealousy" chorus, attention tends to be drawn to the nippy attack, the fancy measuring-out of pauses. At moments like this the executive skills interpose themselves between the listener and Handel.

Fortunately, there is sufficient of Sarah Walker to sway the balance back towards the music. Dejanira, Hercules's passionate, jealous, finally crazily remorseful wife, holds the centre of the work; Miss Walker's portrayal, of a notable technical virtuosity which is never in the least self-serving, seems to me quite the most powerful of any role on any of these records. She plays the Mad Scene in high drama which is at the same time inwardly directed; the listener is also an eavesdropper on a terrible moment of private self-reckoning. Miss Walker is a major artist; the gramophone is catching up with her at last.

The latest issue of *Così*, a much-recorded opera, is a "live" transcription of last year's new production at Salzburg. There is presence in the sound (and a bearable amount of stage noise) but it is an advantage rather too frequently offset by passing imperfections —for repeated hearings one would like a correction of the intonation of Araiza's Ferrando in "Fra gli amplessi" and a toning-down of the bouncy style of Baltsa's Dorabella in her second aria. In spite of such flaws this is an elegant account of the work, clean-lined as in the best of Muti (and happily unforced, which is less predictable); it comes with only one weak spot in its casting—a ponderous Guglielmo in James Morris—and a particularly delicate Alfonso in the protean Van Dam. But Böhm, Karajan, and Davis have all, in their different ways, probed deeper into the work; it is to their recordings that the seeker is directed first

MAX LOPPERT

Gluck: Alceste. Jessye Norman, Nicolai Gedda, Tom Krause, Siegmund Nimsgern, Bernd Weikl, Robert Gambill etc./Bavarian Radio Chorus and SO/Serge Baudo. Orfeo SO3482F (3 records).

Handel: Hercules. John Tomlinson, Sarah Walker, Jennifer Smith, Anthony Rolfe Johnson etc./Monteverdi Choir, English Baroque Soloists/John Eliot Gardiner. DG Archiv 2742 004 (3 records), also on cassette.

Mozart: Così fan tutte. Margaret Marshall, Agnes Baltsa, Kathleen Battle, Francisco Araiza, James Morris, José van Dam/ Vienna State Opera Chorus and PO/Riccardo Muti. EMI HMV SLS 1435163 (3 records), also on cassette.

Pula Film Festival

Ronald Holloway

Pula's "jubilee festival"—30 years of Yugoslav feature films in that magnificent second-century Vespasian arena—brought more visitors to this Adriatic resort town than ever before over the past decade. As national festivals go, this is one of the best liked by critics and public—indeed, nowhere in Europe does one find 10,000 enthusiastic film fans greeting good, bad and indifferent productions with the same hearty reaction (usually a shrill whistle for excess of any kind). In that regard, Pula is unique.

Take the audience's favourite, for example. Branko Baletić's *Balkan Express* portrays the opening shots of World War II through the eyes of a wandering band of thieves and conmen—posing under the guise of night-club musicians ("Balkan Express Band") on occasion. One of the petty thieves is the John Wayne of Yugoslav cinema, Bata Zivojinović, whose national popularity is said to rank second to the currently presiding President of the country. Another is Tanja Bosković, a comedienne with a finesse for witty throw-away lines and a shapely figure to match. And a third is Dragan Nikolić, a distinguished stage-and-screen actor whose performances at the Atelier 212 in Belgrade are legendary. None of these, including the director, would have succeeded in making *Balkan Express* a Pula arena hit, however, without the magic pen of Gordan Mihić (an original screenplay) and the guiding hand of producer Vuk Babić (the mentor of Yugoslavia's New Generation Directors, who founded Art Film in 1980).

Caris Corfman and Miki Manojlovic in a scene from "Something In Between"

Both Mihić and Babić were prominent a decade ago in the movement known as "the black film"—meaning those contemporary portraits sketching the seamy side of Yugoslav life, particularly Serbian transients on the edge of respectable society. Mihić, in particular, was famous for his collaboration with Ljubisa Kozomara on the screenplays for Zivojin Pavlović's *The Rats Wake Up* (1967) (Golden Bear at the Berlinale) and *When I Am Dead and White* (1968), two films that ended up on the shelves in the early 1970s when the so-called "black film" was singled out for critical attack in the national Press. Babić's *Burden* (1972), on restless youth in the provinces, also posed a problem for the authorities in the days when Yugoslav cinema was sinking to its lowest artistic ebb. Thus, the warming arena reception at Pula for *Balkan Express* amounts to a public vindication for several key figures of a bygone sensitive era.

The Grand Prix (Golden Arena) went to Zivojin Pavlovic's *Body Scent*, the tale of a life-weary railwayman who leaves both job and family for a tragic rendezvous with a fate he has been avoiding most of his adult life. The film opened the festival, together with Zelimir Zilnik's *The Second Generation*, while Bata Cengic's *Heads or Tails* also receiving top billing later in the arena—Pavlovic, Zilnik, and Cengic all were once singled out for making "black films."

A promising newcomer has appeared on the Yugoslav film scene: Slovenia's Franci Slak, whose *Eva* recalls Antonioni's women on their lonely gaits across strange landscapes. In this case the female protagonist is a well-paid architect, a widow with two teenaged children and an unresponsive lover on the side. As the lady sinks deeper and deeper into her dream-world, she seeks a resolution in the acting of killing.

Of the 26 films presented at Pula, only one classified as an action-packed, partisan-oriented "Eastern." At prior festivals it was common to spend half of the time staring down gun-barrels at invading Germans. That dry brand of ironic Yugoslav humour was instead in full force once again—particularly in Karpo Godina's *Red Boogie*, or *What's Up, Girl?* (Slovenia in the fifties) and Slobodan Sijan's *How I Was Systematically Destroyed by an Idiot* (Serbia in the late sixties). Chances are better than even, say some, that even Dusan Makavejev will return shortly to work on a new black comedy.

The icing on this year's festival cake came with Srdjan Karanovic's intellectually stimulating *Something in Between*. A parable on East meets West, the film opens in New York and closes in Istanbul—in between, that something is Belgrade and Dubrovnik, outposts for ripe discussions on Socialism vs Capitalism between an American reporter and her two Yugoslav boyfriends. The screwball comedy is alive and well—in Serbia, of all places.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

September 23-29

Exhibitions

LONDON

The Hayward & Serpentine Galleries: The Sculpture Show – this year the Arts Council's annual review of some particular aspect of contemporary British art – takes new sculpture as its subject, with the personal selections of three invited jurors covering altogether the work of some 50 artists. But so wide and various is this field, that this is no definitive show: rather it is its very partiality which makes it so useful, bringing to the domestic public the work of a younger and ascendant generation that has already begun to attract considerable attention abroad. Ends Oct 9.

The National Gallery, Manet at Work: this year falls the centenary of Manet's death, which now, in the knowledge of the great old age achieved by his Impressionist contemporaries, whom he influenced so positively, seems so sadly premature. The great retrospective in Paris this summer clarified the nature and significance of his achievement. Here the National Gallery does not give us anything so comprehensive, but takes eight major works across the range of his career, and by simple scholarly exposition, shows us how he set about his business.

PARIS

Murillo in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings – among them the Young Beggar – from French public collections. Plans, photographs and engravings help us to situate the Sevillan artist in the context of his times. Closed Tue, ends October 24. Louvre, Pavillon de Flore (260 3926).

Musée Marmottan, 2 rue Louis-Boilly: an important collection of paintings and drawings by Claude Monet and his friends, including the famous oil "Impression – Sunrise," which gave the name to the whole movement. Closed Mon.

Musée de Cluny, 6 Place Paul-Painlève: this museum, built originally by the Abbots of Cluny, now houses medieval works of art, including goldsmiths' work, carved altar pieces, ivories, fabrics, and Limoges enamels. Also a set of the Lady and the Unicorn mille-fleurs tapestries – an allegory of the five senses. Closed Tuesday, and every lunchtime.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include 10 of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud and Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27.

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Canaletto, Piranesi, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13.

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer, Henri Lebosse. One World Trade Center, 105th storey.

Manet (Metropolitan Museum of Art): Almost 200 important paintings marking the 100th anniversary of the artist's death are included in the most comprehensive Manet exhibition in nearly a century. Ends Nov 27.

WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest African cultures from 500 BC to 1900 AD. Ends Oct 23.

Berlin, Akademie der Künste, 10 Hanseatenweg: Suprematism, Russian style, is documented here with roughly 500 original designs. Manifestos, photos and paintings from between 1900 and 1917 by the painter Kasimir Malevith. The poet Alexander Krutshenych and the composer Mikhail Matyushin. Ends October 9. Also at the Akademie der Künste: a show of the work of Julio Gonzáles (1876–1942), the Spanish sculptor, with 250 exhibits, among them pictures never shown before. Ends October 23.

Hamburg, Kunstverein, Glockengiesserwall: 120 drawings, water colours and gouaches from between 1881 and 1955 by Fernand Leger, the French master of Cubism. Ends October 16.

Hanover, Kunstmuseum, Kurt-Schwitters Platz: more than 100 paintings and coloured sheets from a northern German private collection by Horst Antes. Ends October 17.

Bottrop, Josef Albers Museum, 20 Im Stadtgarten: oil paintings, drawings and graphics by artists from the Brücke School of painting – among them Ernst Ludwig Kirchner, Max Pechstein and Erich Heckel. Ends October 16.

Düsseldorf, Tonhalle, 1 Ehrenhof: "New Glass in German" has 260 colourful decorated glasses, vases, bowls and pictures by 59 contemporary artists. Ends November 6.

Cologne, Kunsthalle, 1 Josef Haubrich Hof: the exhibition focuses on the 27 sculptures by Willem de Kooning, the American painter and sculptor, since 1969. Ends October 30.

Frankfurt, Städtische Galerie im Städel, 63 Schaumainkai: the exhibition has the sculpture "The King of the Mountain" as well as 57 drawings by Josef Beuys, the German object artist. Ends October 30.

ITALY

Rome: Musei Capitolini, till end of September an exhibition of the restored Roman Empire period doll, including wardrobe and jewellery, "Crepereia Tryphaena" – a 2000-year-old lost treasure. At the Galleria Nazionale d'Arte Moderna till end September, Ottone Rosai one-man show.

Milan: At the Chiesa delle Grazie there are 100 pre-Raphaelite and Neogothic paintings for church windows.

Florence: Palazzo Pitti: 100 paintings and collages from all over the world by Gino Severini on the centenary of his birth. Orzinuovi (a small town near Brescia) till Oct 16: exhibition of 170 paintings by Antonio Ligabue, 46 of which have never been exhibited previously.

Venice, Cantieri Navali alla Giudecca. Works by Burri. Ends Sept 30.

WASHINGTON

National Gallery: With the recent death of American art patron, John Hay Whitney, his outstanding collection of French impressionists and their successors is on view before dispersal to various museums. Ends October 2.

CHICAGO

Art Institute: 237 works from the Vatican Collection show the range of religious and secular art that Popes collected as important patrons to both artists and archaeologists. Compared to what can be seen in Rome, the travelling exhibit may seem meagre but at the same time, major works like the Apollo Belvedere and Caravaggio's The Deposition can be better highlighted in this carefully chosen and well-groomed selection. Ends Oct 16.

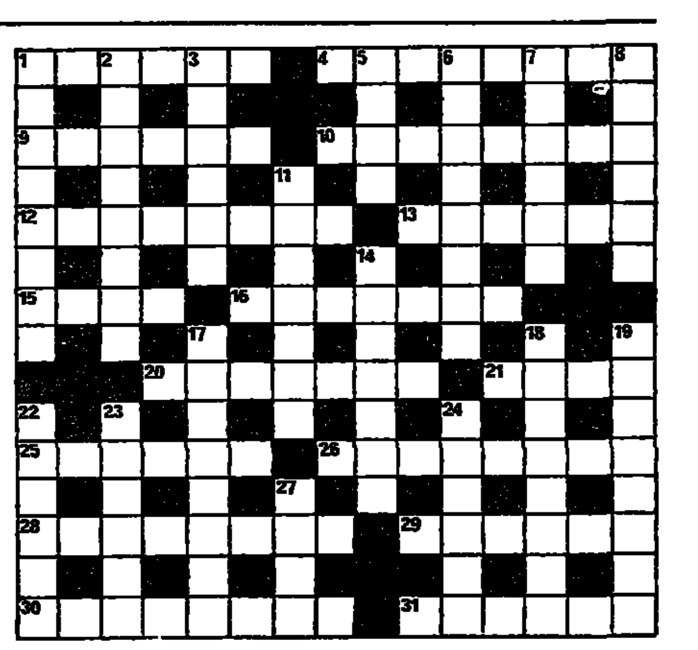
BRUSSELS

Old Chinese Costumes and Embroidery: Müsée Royale d'Art et Histoire. Ends Oct 2.

Utrillo Centenary Exhibition: Musée St George, Liège. Ends Oct 16.

James Ensor: Koninklijk Museum, Antwerp. Ends Oct 30.

F.T. CROSSWORD PUZZLE No. 5,229



ACROSS

1 & 4 Many have been detected studying her works (6, 8)
9 Coach loses gold twice! Remark produced (3-3)
10 Very French licence is a sin (8)
12 Grumble when brief contest's rested (8)
13 Sensible about cut lip—get medical solution (6)
15 Flier in the traveller network (4)
16 Kind of salt—name example put round vermin (7)
20 Singular round of applause —quietly celebrate it (7)
21 Indifferent appeal for help's getting round (2-2)
25 Initially the engineer's after smashing coal find (6)
26 Disease giving hesitation, B1 without, repeatedly (8)
28 Plump pudding! (4-4)
29 Against swindle with paintings being backed (6)
30 & 31 Valuable possession hanging around (6, 2, 6)

DOWN

1 & 22 Record keepers bound . . . to be journalists? (8, 6)
2 A worker, one has tin, losing energy (That's an element) (8)
3 Old City in Bible prefix, measured by time (6)
5 He's champion (or he's undergone change) (4)
6 Ants and · ts could be ticks (8)
7 U.S. soldie. in overturned vehicle? Disastrous! (6)
8 & 19 Times off following fast? (6, 8)
11 Smallest car for keeping to oneself (7)
14 Last two sent off—a terrible, inconsistent, referee (7)
17 Apartments to fix? What a turmoil! (4, 4)
18 Altering real post to give a guide (4, 4)
19 See 8 down.
22 See 1 down.
23 Jovial, not starting about the eye (6)
24 So Brie can be exchanged for sugar? (6)
27 Singer, totally (Get her? No!) (4)

Solution to Puzzle No. 5,228

FINANCIAL TIMES

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Thursday September 29 1983

Why Africa needs aid

THE CASH crisis of the International Monetary Fund, coming on top of the similar shortfall in the resources of the International Development Agency (IDA), the soft loan arm of the World Bank, could not have come at a worse time for the poorest nations, most of them in Africa. At the very moment when their needs are greatest, and when they have begun to appreciate the necessity for domestic policy reforms to stabilise their economies, the flows of external aid, loans and direct investment are stagnating, if not actually shrinking.

The past 18 months have seen a whole series of African countries adopting the sort of radical austerity programmes demanded by the IMF in exchange for balance of payments support. Several more, including Nigeria—the largest and economically by far the most important—are still in the midst of negotiations. The indications are that they will swallow the medicine being offered as a precondition for such assistance: devaluation, or a close equivalent, tight credit ceilings and curbs on government spending.

Many of those policies have previously been anathema, particularly the adoption of flexible exchange rates, even where black market trading has greatly undermined a currency's real value. Introduction of an IMF programme has been regarded as a recipe for revolution in the volatile political climate of post-independence Africa. Nevertheless, a string of countries have complied: Kenya, Malawi, Madagascar, Mauritius, Zambia and Zimbabwe have devalued once or several times; Ghana, Uganda, Sierra Leone, Sudan and Somalia have introduced multiple exchange rates, amounting to the same thing in disguise.

Key factor

Undoubtedly, those countries have become more receptive to the demands for policy reform—such as the dismantling of chronically inefficient state corporations, the removal of price subsidies for urban consumers, and the raising of agricultural producer prices—because of the extent of their plight. They have seen their agricultural output stagnate, and food imports soar, just as the decline in world commodity prices has drastically reduced their export earnings, whether from cash crops or minerals. Even so, they have not been persuaded without difficulty. A key factor has been the relative unanimity of Western aid donors, banks and other investors, that IMF orthodoxy, combined with the World Bank emphasis on agriculture, was a necessary precondition to other forms of assistance. Commercial debt rescheduling has been possible only in the wake of IMF programmes.

There are, nonetheless, a growing number of African leaders and top officials who have *willingly* embraced the strategy of promoting agriculture, and restricting the role of the state sector, as advocated by the World Bank's Berg Report on Accelerated Development in sub-Saharan Africa. In its latest progress report, distributed to 146 member nations ahead of this week's annual meeting, the Bank argues that "many African governments are more clearly aware of the need to take major steps to improve the efficiency of resource use in general, but especially to improve the efficiency of the productive sectors of their economies. In the agricultural sector in particular, measures are being taken to improve the incentive framework and the working of markets."

It is against that background that the cuts in bilateral aid flows, IMF and IDA resources, should be seen. African nations have also been badly hit by the debt crisis of Latin America, to the extent that they have been tarred with the same debtors' brush, although their indebtedness is minuscule in comparison. New commercial bank loans to the continent—in addition to what is already outstanding—have dwindled to a trickle.

Population control

That is not to say that African governments have done enough to help themselves. In particular, they have almost universally failed to tackle the problem of population control (Mauritius and Tunisia are about the only exceptions), as a result of which *they show an ever-increasing* population growth rate. The continent is still plagued by inadequate state bureaucracies, riddled with corruption, attempting to play a far wider economic role than they are capable of sustaining.

In the words of the Bank's progress report: "The new directions of policy . . . simply represent an important but modest beginning towards what is required." But at least they have begun on a path of self-help, which needs encouragement and support. It would be quite wrong for the richer nations to curtail their support, just when their preaching is being listened to.

Bank supervision and change

A BANK supervisor, if at all enlightened, must constantly ask how strongly to apply a brake on change in the banking system in the name of prudence. The latest Bank of England Quarterly *Bulletin* provides a timely analysis of this dilemma, coming as it does when banks and other financial institutions are aggressively pursuing financial innovation to the point of destroying the very definition of a bank.

The analysis wisely concludes that it is futile for supervisors to resist change, because eventually they will be swamped by it. To appreciate the dangers and distortions that result from an inflexible system, one only has to look at the chaotic state of bank regulation in the U.S. where reform has fallen so far behind innovation that regulatory circumvention has become a highly developed — and admired—art.

Even in the UK, where bank supervision is administered with greater flexibility, pressures are mounting to reform bank regulation in light of the rapid convergence of banks and building societies. Both now compete for funds in the same retail and wholesale markets, and both offer mortgages, cheque books and plastic cards. Yet each is subject to different regulatory constraints which produce competitive inequalities with implications for monetary policy and the allocation of financial resources.

Question

There are essentially two tasks. One is to produce a new definition of a bank that enables bank supervisors to preserve control in the public interest over financial institutions, be they banks or only quasi-banks. The *other is to set standards* that take account of the vastly different world into which banking is moving.

The new definitions might be made by replacing the traditional question, "what is this institution?" with "What does it do?" The supervisors would then be *able to establish fairly* simple criteria that would net all those institutions which, for example, take in deposits and make loans, regardless of whether or not they are banks in the traditional sense. Supervisors seem to favour this approach even though there would be a lot of borderline cases.

Volatility

The question of new standards needs, however, to be treated with caution. While financial institutions clearly need to be given the greatest possible freedom to use innovation, particularly new technology, to develop their business, there are undoubted risks in allowing *change to proceed too fast.* There are not only prudential concerns to be taken account of, but others affecting monetary policy too.

Growing competition in the financial services industry has already produced greater volatility in the financial markets: interest rates are now higher and change faster as more institutions compete for funds. This demands greater management skills from bankers and places extra burdens on the economy at large.

Limits may also need to be placed on how far banks should be allowed to diversify away from their main lines of business. It should not be necessary in the UK to tie the banks down as tightly as is the case in the U.S., but the forthcoming reform of the Stock Exchange, for example, should prompt debate as to whether it is appropriate for banks to enter stockbroking, a highly volatile business, even if it does fall into the fashionable "financial service" category in which banks can claim to have a legitimate strategic interest.

Nor should the monetary implications be overlooked. The bulletin's analysis rightly points out that financial innovation *can complicate the conduct of* monetary policy by making a bigger change in interest rates necessary to achieve the same result. It describes these problems as "transitional." Clearly the emergence of new financial institutions will lead to new sources of liquidity, and will require *redefinition of the money* supply of a fundamental kind. Any reform of banking regulations will have to take account of the needs for effective monetary control as well as banking prudence.

PEKING VISIT IN SPRING

Reagan's Chinese overture

By Reginald Dale, U.S. Editor, in Washington

FOR two and a half years the Reagan Administration has been schizophrenic about China. The logic of President Ronald Reagan's black and white view of the world suggested that Peking ought to be an ally, given that the arch-enemy is perceived as Moscow. But Mr Reagan arrived in the White House strongly committed to "loyal," staunchly anti-Communist Taiwan. These commitments could not be abrogated without seriously upsetting the powerful right-wing groups that helped him to power.

It is only in the last few months that both domestic and international considerations have given over-riding priority to a new relationship with Peking. A fact symbolised by Tuesday's announcement that the President plans to visit the Chinese capital.

With the 1984 elections just *over a year away, Mr Reagan* is still without a major foreign policy triumph and looking around the world from Washington, there seems to be little prospect for dramatic breakthroughs in either Central America or the Middle East, the two main areas on which U.S. foreign policy has concentrated for the past year and more.

In both of these regions, the Administration is beginning to look as if it has decided that its best bet is to soldier on until the elections and try to avoid a disaster that really would give the Democrats something to get their teeth into next year.

Relations with Moscow have hit the lowest point in years following the shooting down of the Korean airliner—not just because of the incident itself, but also because the Administration has decided to use it as a prime symbol of how difficult it is to deal with the Russians.

Deng Xiaoping, China's paramount leader, and President Reagan: a warming of Sino-U.S. relations in recent months

Mr Reagan still insists that he is a "man of peace," as he did again at the United Nations on Monday. He is offering what are presented as major U.S. concessions in the arms control negotiations with Moscow. But there is little real confidence in Washington that a major arms agreement can be negotiated, and the prime aim now seems to be to pin the blame on Moscow for failure.

The prospects for a Reagan-Andropov summit meeting next year—once reasonably bright—have receded into the remote distance. At the same time, the Korean airliner incident has shown that the right-wing is not all-powerful. The conservatives howled in anger when Mr Reagan did not even try to take major economic or political sanctions against Moscow in retaliation. But in the end they found it impossible to answer the stark question that Mr Reagan successfully used to deflate them—"what do you want me to do—go to war?"

Despite the fact that Mr Caspar Weinberger, the Defence Secretary, is now in Peking discussing arms sales, and that it had become increasingly clear that Mr Reagan was going for an opening in China, surprisingly little has been heard from the Right-wing on Taiwan.

Now that a number of other irritants have been resolved—including the dispute over Chinese textile exports and the transfer of American high technology—Taiwan remains the major stumbling block. So far, however, Mr Reagan has been fairly successful in having it both ways on the issue.

He has gone further than any U.S. President before him in committing himself to ending arms sales to Taipei at some time in the future—but he is continuing to supply the arms. Peking responded with *uncharacteristic* mildness to his plan to sell Taipei $530m worth of weapons, including surface-to-air missiles, the second biggest ever U.S.-Taiwan arms deal, announced this July.

But the Chinese have made it clear that the Taiwan issue will not go away, and that the new warmth in their relations with Washington falls short of the "strategic partnership" that Mr Weinberger has talked of. As Washington officials see it, Peking is concerned about the general Soviet military and naval build-up in the Far East, and about the deployment of SS-20 intermediate range missiles in Asia in particular.

Mr Reagan has made it clearer than ever since the airliner incident that one of his main foreign policy goals is to isolate Moscow in the eyes of world opinion although a whole range of practical U.S.-Soviet links are still in place.

A trip to China can be made to fit neatly into that scenario. But Washington also recognises that China's main objective is economic development and that for Peking the trade and economic aspects of closer ties with the U.S. are at least as important as military or strategic links.

The China visit means that Mr Reagan's attention is going to be heavily concentrated on Asia in the coming months. In November, he is due to spend two weeks visiting Japan, South Korea, the Philippines, Indonesia and Thailand—further confirmation, if it were needed, of the increasingly Pacific orientation of the United States today.

It will also be seen as another strong hint that Mr Reagan is planning to run again for the Presidency next year. The official White House line remains that he has not yet finally made up his mind and that he will make an announcement in due course, probably before the end of the year.

He has indicaed that he wants to go to Asia in November as a statesman, not as a candidate. But the mechanics of setting up election committees and securing federal matching campaign funds mean that he may have to show his hand soon thereafter. If he is not going to run, he has given absolutely no indication of it.

Deng learns how to play two cards at once

By Alain Cass, Asia Editor

PRESIDENT REAGAN'S planned visit to China next spring illustrates perfectly Deng Xiaoping's famous dictum, now the yardstick of much of Chinese policy: "It does not matter whether the cat is white or black, as long as it catches mice."

After more than three decades of violent changes in direction, Chinese foreign policy under Deng, the country's paramount leader, appears to be settling down to a more pragmatic approach based upon the need to pursue the internal reforms necessary *for* the country's economic, social and political advancement as a world power.

China, Deng has concluded, needs American technology to modernise both its economy and its armed forces. But it also needs to reduce the huge burden of facing up to the military threat posed by the *presence of 70 Soviet divisions* along its borders.

It must therefore negotiate with both at the same time, compromising where necessary and refusing to budge only where absolutely unavoidable.

This eminently practical approach also leaves China in the happy position of being able to use its negotiations with the U.S. to put pressure on the Soviet Union to make concessions and vice-versa.

Deng is playing both the Soviet and the American "card"—to the discomfort of both — with the same *consummate skill with which* he has twice survived political oblivion.

China's newly-evolved foreign policy has also been characterised by a moderation in its relations with both the superpowers which has been lacking in the past.

In the case of the U.S., the Chinese regime now appears *to accept that the kind of* intimate, strategic relationship envisaged by President Richard Nixon in 1973 is neither practical nor desirable.

This is, not least, because of the issue of American and, in particular, President *Reagan's support for the* nationalist regime in Taiwan. Having hammered at this particular door for nearly two years now, China appears to have decided that no further concessions can be expected from the present Administration.

Faced with the choice of a breakdown in relations or the more profitable course of agreeing to differ and getting on with areas of mutual interest, Deng seems to have had no compunction about choosing the latter course.

Taiwan still remains a major obstacle to "normal" relations between the U.S. *and China. But because,* unlike Hong Kong, China's sovereignty over Taiwan is not disputed, it feels that it can afford to let the matter lie *for* the time being.

China has also, however, made it clear that it does not regard the U.S. as its only *supplier of either economic* or military hardware in the West.

The Chinese, with a healthy $12bn in foreign exchange reserves tucked away, have been turning increasingly to Europe for advanced technology.

They have also made progress in establishing their own strategic deterrent to reinforce their independence. They fired a land-based CSS Intercontinental Ballistic Missile in June 1980, and their first submarine-launched missile on October 12 1982. The last occasion coincided with the presence in Peking of a *high-level Soviet delegation.*

Although the Chinese have made the Russians sweat with their use of the "U.S. card," they have been restrained in how they have played it. They did not, for example, vote in favour of the UN resolution condemning the shooting down of the Korean airliner.

Instead, they waited until Mr Mikhail Kapitsa, the deputy Soviet Foreign Minister and the most senior Russian envoy to visit Peking in two decades, left China after talks, and then issued a mildly critical statement of the incident.

The Chinese are, no doubt, pleased at repeated Soviet attempts to improve relations. Mr Leonid Brezhnev, the late Soviet leader, referred to this desire three times in major foreign policy speeches in 1982. When Mr Yuri Andropov succeeded him the initiative was given new impetus. The warming of Sino-U.S. relations in the past two months will have made the Russians more nervous and, therefore, more eager.

But there too, major obstacles remain. They include: the Soviet presence in Afghanistan, which threatens the stability of Pakistan, a staunch Chinese ally; Russian troops on China's northern border and, most difficult of all to resolve, the problem of Soviet support for Vietnam's occupation of Kampuchea, which challenges Chinese supremacy in south-east Asia.

In the end China has followed the *only practical* course open to it. It has pursued areas of self-interest while conveniently ignoring intractable problems. The message seems clear enough: China will never again wed itself to a superpower. Instead, it will try to become one in its own right.

Men & Matters

High society

Gordon Peter Getty, one of the sons of oilman the late John Paul Getty, is the richest person in the United States with a minimum net worth of $2.2bn according to Forbes Magazine, which analyses these matters.

Altogether, 15 people — 13 men and two women—are listed as having fortunes of $1bn or more. Among them are two daughters and two sons of oilman H. L. Hunt, whose home state, Texas, has six billionaires —more than any other state.

Getty is 49, married, and lives in San Francisco. The source of his money is described simply as "inheritance". He is the sole trustee and one-third beneficiary of the Sarah C. Getty Trust which includes 32m shares of Getty Oil with an annual dividend of $83m.

Life at the top is not entirely without its hazards, however. No fewer than 74 of the people who were in the Forbes list a year ago have disappeared from this year's list.

Five of them suffered serious financial setbacks, 13 died, 15 fortunes were realocated or re-evaluated — and 41 of them simply could not keep up with the Jones.

Battle orders

I expect a smell of moth-balls on the commuter trains into London this morning. Brokers, jobbers, insurance men, and merchant bankers, will be searching their wardrobes for long-discarded battle-dress and similar protective clothing.

For the City is expecting to be under siege from a losely-connected collection of protesting organisations which have not declared their precise plans to the City police, *but which* say they intend to "Stop the City."

The Stock Exchange is taking no chances and is preparing for a day-long siege.

A memo to the Walters—Exchange functionaries—emphasises that intruders should be asked "firmly but politely" to leave. The next step if the guerilla action escalates is "minimum force necessary to restrain them." Police assistance should be avoided."

"I've been trying to pick the right moment to ask for a salary increase all week."

But life will doubtless go on, and fortunes will continue to be made and lost, in the Square Mile today. The Stock Exchange memo ends on a sanguine note: "Hopefully, we should not be unduly troubled."

Gray's aim

Command and control were the watchwords at London's Savoy hotel yesterday when an audience of British investors was addressed by Harry Gray, chairman of the U.S. conglomerate United Technologies, and a robust veteran of some famous *Wall Street* take-over battles. The group includes Otis Elevators, Pratt and Whitney jet engines, and Carrier air conditioning.

Gray had less to say about financial fights yesterday than *battles of the real kind* where command and control means the ability to handle highly mobile firepower. He sees a big European market for his group's defence systems.

But his own graphic illustration of command and control was simplicity itself. It happened, he said, during last year's encounter between Syrian and Israeli armoured forces in Lebanon.

Both sides found themselves driving in circles one dark night around the same valley. The Israeli commander, however, was first off the mark ordering all his tank crews to switch off their lights and then fire at anything that moved with a light on it.

Shocking

Is a touch of paranoia entering business life? Top executives in the U.S. are now being wooed wifh advertisements for security devices ranging from bullet-proof briefcase liners to convex mirrors to guard their backs.

But my vote for the device we can best do without goes to the alarm attache case with a "shocker handle." For just $895 the owner of this piece of equipment is protected by a built-in 125 decibel alarm system. Any thief foolish enough to hang on to the case after the alarm has sounded is then, to quote the literature, "jolted" with a 4,000 volts electric shock.

The same company is offering a bullet-proof raincoat at $895, and a bionic ear "which can pick up whispers at 100 yards.

Li's footwork

David K. P. Li, the 42-year-old Cambridge-educated chief *executive of Hong Kong's* Bank of East Asia, has scored another coup in what has been a busy summer.

Li, who has been pushing the bank in a more ambitious direction, has accepted an invitation to be chairman of Hong Kong's Chinese Banks Association. This links all locally based banks, apart from the Hang Seng (61 per cent owned by the mighty Hongkong and Shanghai Banking Corporation).

Until now, the association has been dominated by the Communist Bank of China which has also traditionally supplied the chairman. The appointment shows some nimble diplomatic footwork by Li, who has been making links with other foreign banks as he wakes Bank of East Asia from its sleepy image.

The bank was founded in the First World War by ten Chinese families; four are still actively associated with it. But it is the Lis who have come more and more to the fore. This year has already seen the opening by HK governor Sir Edward Youde of the bank's new skyscraper headquarters in the centre of the colony.

Li plans new ventures *in both* banking and insurance. The bank has a merchant banking operation with Warburg called East Asia Warburg, and the colony's financial gyrations are also likely to keep him more than usually busy.

Point taken

The IMF may be short on dollars but it is long on erudition.

On Tuesday Tom Clausen, head of the World Bank told the gathering in Washington quite solemnly (quoting the American statesman William Jennings Bryan):

"Destiny is not a matter of chance. It is a matter of choice. It is not a thing to be waited for: it is a thing to be achieved."

Yesterday Donald T. Regan, the U.S. Treasury Secretary, told the same audience:

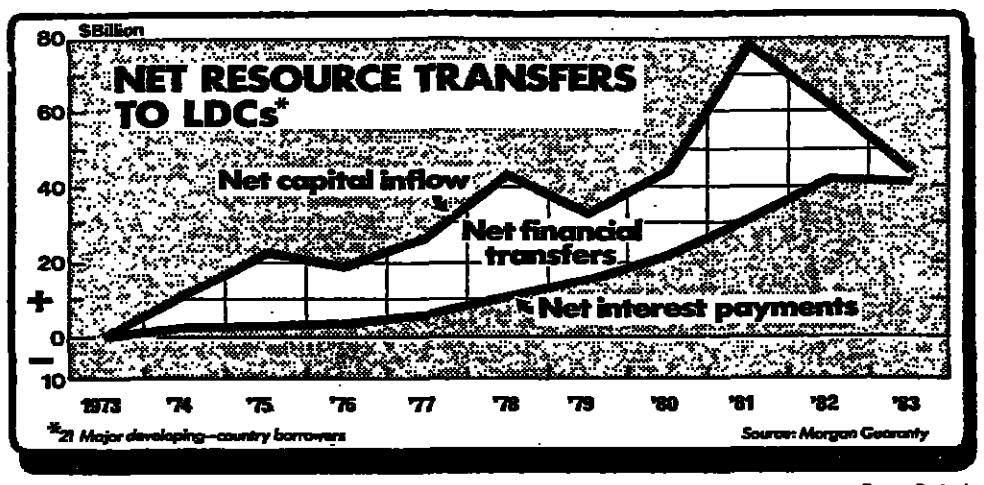
"Destiny is not a matter of chance. It is a matter of choice. It is not a thing to be waited for: it is a thing to be achieved."

Observer

ECONOMIC VIEWPOINT

World debt: a suggestion

By Samuel Brittan



Brana Radovic

SOME READERS will have noticed that I have avoided discussing the overseas debt problems of the developing countries. My attention has been focused on related issues, such as international demand management and the need for international lender-of-the-last-resort facilities to prevent a chain of bank collapses in the event of major defaults. But I have avoided tackling the debt problem head-on, observing the well-known dictum of being silent where one has nothing of one's own to say.

There has been another factor. I have been intensely sceptical of both main intellectual camps. On the one hand there are those who see more government-to-government lending, international credit creation, debt write-offs and interest rate subsidies as the answer to every problem. It does not require enormous ingenuity to write out a plan for, say, central banks to "take over" the debts from the commercial banks, or for concessionary interest rate reduction for debtors.

The problem about these methods of solving difficulties with mirrors, or by writing down numbers on pieces of paper, is that they conceal the cost, both in real resources and in possible future inflation of such bail-outs; and more important, they may in the not-so-long run impoverish rather than sustain the world economy, rather like the rescue of lame duck industries at home.

On the other hand, I have been equally repelled by the *laissez-faire* school of thought which maintains—and I hardly exaggerate—that a few country defaults and bank failures would have a salutary effect.

The world economy is too fragile for intellectual experiments of this sort. There have been chain reactions of financial collapse and depression in the inter-war years and in the 19th century. No doubt if it happens again the *laissez-faire* school will maintain that the free market system was fundamentally sound and that it was all due to government-imposed rigidities or to central banks creating too much or too little money, or both in succession, or to other technical mistakes visible to academics after the event.

In default of anything better, the case by case rescheduling, in which central banks have pressurised the commercial banks to refinance and put up some "new money," has deserved some reluctant support. "Reluctant" because it is based on no coherent scheme or analysis and risks simply postponing the problem to next year's rescheduling crisis.

My own new thought comes in reaction to the not very surprising report that the Government and Bank of England have been at loggerheads over the British contribution to the $11bn new financial package for Brazil.

In this particular case, the dispute should be resolved after some haggling. But there remains the nagging question: "If in some nightmare I were the Chancellor of the Exchequer, would I recommend advancing Government money to Brazil when I am having to cut down on doctors and nurses at home? If there is a case for some extra public expenditure or credit creation, should not urgent needs here at home come first?" It is this question which has caused Congress to hesitate about the IMF quota increase.

The best way into the problem is to make an explicit comparison with lame duck industries at home. In a recent Hobart Paper, discussed in Monday's Lombard column, John Burton pointed out that bankruptcies and liquidations are a normal and healthy part of a competitive market. They do not involve the destruction of physical assets, but a change to a new owner who may be expected to put them to better use.

Why then should we hesitate to apply this argument to Brazil? In the first place, because it is not possible to put an official receiver into a country to sell its assets to the highest bidder. Governments are not corporations.

But that is not all. We should ask whether there are special circumstances which have come as "acts of God" to the developing countries and weaken their ability to service debt through circumstances outside their control.

The conventional answer is that the fall in commodity prices and high level of real interest rates have come as a bolt from heaven, which no developing country could have been expected to foresee. Certainly, their overall borrowing does not seem high by historical standards. Their debt to GNP ratios are lower than those of countries like the U.S. when they were in a similar state of development a century ago. The real growth of debt has, moreover, been no higher in the last decade than in the decade up to 1973.

It is however, difficult to put too much emphasis on low commodity prices, in view of the recent recovery. The Economist commodity price index in SDR terms is now 25 to 30 per cent higher than at the low point of last October; and all the 1980-82 fall has now been reversed, although the pace of recovery has obviously differed from commodity to commodity.

As for real interest rates, it is abundantly clear that they are not high for American or British borrowers who can write them off against tax. There is a very strong argument that these tax write-offs increase the demand for loanable funds and boost world pre-tax interest rates to the detriment of developing countries. That, however, is a deep-seated problem, which has been building up for years.

The really new and unexpected element that has hit the developing countries has been the steep and unexpected rise in the dollar. The real value of the dollar, after allowing for the movement of wholesale and export prices, is 30 to 40 per cent higher against a basket of currencies than it was three years ago. This is an obvious blow to countries heavily dependent on international borrowing almost entirely denominated in dollars. Moreover, it comes very nearly under the category of unexpected "Act of God."

The rise in the dollar was not foreseen by any government or international organisation or any school of economic thought; and even those economists who were able to explain it away, expected it to subside well before now. The developing countries have, if you like, had to face a levy of 30 per cent on their debt service charges.

The analogy with domestic industries in trouble can be taken further. If British Leyland or Rolls-Royce or Chrysler had been hit by an entirely unexpected bolt from the blue, there would have been a case for the rest of the community providing them with assistance, via the Government, for a temporary period until either circumstances changed or they had time to adjust. Because of political lobbying such assistance is never in practice digressive. But if it is provided across frontiers by government or central banks whose voters are not involved, there is a chance that it will not be so abused.

The proposal which I want to make is that developing countries be granted an interest rate subsidy sufficient to compensate them for all or part of the increase in the real value of the dollar, as determined by the IMF managing director since some appointed date, say in 1980, when the dollar last appeared to be near a "normal" value.

Should the dollar fall, the value of the subsidy should be reduced cent for cent. It should in any case be phased out by the end of, say, five years. For if the dollar is still very high in the late 1980s it will surely be something that the rest of the world will have to adjust to; but the developing countries will at least have been given time to make the adjustment.

There is already a precedent for the proposal suggested here in the IMF's Compensatory Financing Facility, which allows countries to make extra drawings (on a rather small aggregate scale) to offset temporary shortfalls in export earnings beyond their control—usually commodity price changes.

There are numerous forms in which the subsidy could be given: best of all outright, but if the disguise of SDR allocation or longer-term concessionary IMF credits, or relief channelled via the banks, will help Western finance ministers and central banks to sell the proposal, so be it.

Net interest payments by developing countries are running at about $40bn per annum, and almost all the net capital flows they are receiving are going to meet the interest bill, leaving a "net financial transfer" little better than zero. If a third of the interest payments could be rescinded on the lines of the above prospect, there would, as the chart shows, be once more substantial positive transfers of the magnitude of the late 1970s.

The suggested subsidy should be applied to the interest payment, not to the principal or to the repayment element of the servicing charge. The abnormal feature of LDC debt is not that it is large, but that it is short term. One of the major obstacles which prevents the banks from converting it into long-term form is a doubt about the ability of borrowers to service the interest payments. With this doubt eased, it would make sense to bring out of the drawer all the many schemes for debt reconstruction but without any write-off.

Obviously, there are numerous highly important details to be decided if my proposal were ever to be implemented. Should the LDCs start repaying if the dollar falls below trend? This ties up with the question of whether the aid should be a grant or a loan? In the latter case the provocative word "subsidy" might be avoided.

Indeed, an official asked to draft objections to the proposal could have great fun talking about the "Pandora's box" of payments that it might open up. Although it would have to be clearly defined, I think it is nevertheless worth pursuing as it avoids the extremes of both the *laissez-faire* and the interventionist school, and is more systematic than the central banks' case-by-case approach. Above all, it pinpoints key issues and raises the right questions.

Prof. William Fellner

Students of economic thought and public policy alike will learn with regret of the death on September 15 of Professor "Wily" Fellner, at the age of 78. A distinguished economist in many fields, "Wily" combined old world charm with a most acute analytical brain. One could learn more about how to separate the wheat from the chaff in fashionable doctrines such as "rational expectations" from him than from economists half his age.

Lombard

What are Right and Left?

By Peter Riddell

"DAVID OWEN moves SDP to the right to win Tory votes," "Liberal Left courted by Labour." These have been among the headlines of the past 10 days of Alliance conferences. But what do they mean? The widespread assumption seems to be that Dr David Owen has moved to the right because he has advocated a free market economic approach. Yet, at the same time, he has proposed changes to the social benefit and tax system which will be redistributive and hit the middle class. That, surely, is Left-wing?

The familiar categorisations along the left to right spectrum are becoming increasingly misleading and are distorting, rather than illuminating, the current upheavals in British politics. Of course, labels are necessary in politics. By definition politics is a collective activity in which people combine to press their opinions and interests. Within, say, the Labour Party there is clearly a left-wing, or rather several lefts, hard and soft or inside and outside. There is a set of views associated with the right-wing of the Conservative Party. The labels may be blurred but they are understood by participants in internal party debates. But beyond these limited uses the words lose meaning.

Any historian would find the identification of the free market with the Right puzzling. After all, the Conservatives have for much of their history been the party of protection while the Liberals have been identified with laissez-faire. At present Mrs Thatcher is more interested in boosting the private sector than in free competitive markets—given, for example, the Government's attitude to interest rates and to agricultural support. Arguing for a free market is neither historically nor logically especially right-wing. Indeed actions to challenge monopolies are intended to help the traditional interests of the Left, workers as consumers, rather than those of the Right, big business producers.

The divisions are much more complicated than just left v right. Samuel Brittan suggested 15 years ago, in his Left or Right: the Bogus Dilemma alternative classifications. Egalitarianism v elitism, radicalism v orthodoxy, liberalism v authoritarianism. One might now add free market v collectivist. And many more polarities can be invented. The point is not that any are definitive but that left v right on its own is insufficient.

Moreover, an increasing number of voters do not behave along a simple two party division; even less do they think along left v right lines. All the evidence from the last two general elections points to considerable fluidity, with a much smaller proportion of permanent Tory and especially Labour voters than even 10 years ago. According to the BBC-Gallup survey of electors' views on polling day, only just over three-fifths of those who voted Labour in 1979 did so again in 1983, and only slightly more than three-quarters of Conservatives did so. Even among voters identifying themselves as Labour in 1983, only three-quarters voted for the party, most of the rest supporting the Alliance. And in both the 1979 and 1983 elections a large number of Labour voters agreed more with the policies proposed by the Conservatives than with those of their own party.

Public views cannot easily be fitted into left and right labels. The majority of voters are sceptical about politicians' promises of cutting unemployment. They support stricter laws regulating the trade unions, a successful private sector and a strong defence policy, but they also favour the maintenance of spending on health education and welfare. The post-war classification of political views and behaviour no longer applies.

Mrs Thatcher's success so far is partly because she has exploited this shift, while her opponents have been divided and have failed to do so. Dr David Owen, has not so much copied Thatcherism (even with a human face) as recognised that the terms of the political debate have changed. This is not so much a swing to the right, merely an acceptance of a continuing and still unfinished process of realignment.

Letters to the Editor

Consultation or negotiation: change in the air

From the Principal Research Executive, Institute of Directors.

Sir, — May I add to Dr McFarlane's reservations (September 20) about the extent to which the recent workplace report supports the proponents of the fifth directive and the Vredeling proposals. He rightly points out that the report confirms the speed with which British companies have voluntarily espoused the cause of employee involvement. What he fails to mention is that the UK approach, based on trade union involvement, and therefore ultimately on the formation of an economic bargain, is not at all what the proponents of the idea in the EEC have in mind.

The consultative arrangements now proposed in the draft fifth directive as a result of the European Parliament's intervention are specifically designed to ensure that trade unions do not play a direct part in them; the opinion of the European Parliament that the Vredeling proposal should similarly preclude "single channel" representation was the only major alteration proposed by the Parliament to be rejected by the Commission, which may yet regret that it did not accept this suggestion.

This contrasts sharply with the report's own finding that in the UK contemporary joint consultation takes place "within the framework of an integrated system of representation based on trade union recognition."

The report thus confirms the concern of this and other organisations about the fifth directive and the Vredeling proposals. The fifth directive would cut across what has now been proved to be widespread UK industrial relations practice (point consultative arrangements based on trade union recognition). There would thus be a recipe for inefficiency and strife. The report also confirms that the Vredeling proposals could only be applied, in the UK, through a system in which trade unions play a leading part, employee representatives for this purpose being those recognised by the law or practice of member states. Although the Vredeling proposals appear to exclude collective bargaining from their terms of reference much of the information supplied as of statutory right as a result of the proposals would lead to collective negotiation rather than consultation. The distinction between consultation and negotiation which so far appears to have been preserved in the development of joint consultative arrangements in the UK would accordingly break down and the proposals would thus lead, as the IOD has always suggested, to the statutory extension of the scope of collective bargaining.

Extension by law of the powers of trade unions in this manner is out of line with popular opinion in both the UK and the EEC, and the thrust of recent legislation in the UK. The UK Government would therefore do well to stick to the position it has frequently stated, and resist the imposition of both EEC proposals.

E. A. S. Hutchinson.
116 Pall Mall, SW1.

From the Principal Research Officer, Department of Employment, and the Deputy Director, Policy Studies Institute.

Sir, — Dr Heller (September 21) advises caution in drawing conclusions from some of the data reported in "Worksplace industrial relations in Britain." We agree.

But the conclusions drawn in the book and in your extensive coverage of it on September 15 were firmly rooted in the survey evidence. Neither we nor you used the mere existence of joint consultative committees to make inferences about "what actually happens in these committees," as Dr Heller seems to imply. When he comes to read the book he will see that we cover many of the issuse he raises. For example, we discuss how recently formed consultative committees differ from those of earlier growth periods, the composition of committees, the important matters with which they deal and the frequency with which senior managers attend them. It was on the basis of these and other strands of evidence, together with an awareness of other research work, that we came to the view that "the practice of joint consultation achieved something of a resurgence in the 1970s."

We hope the evidence on joint consultation presented in the book will assist the continuing public debate about the place of consultative arrangements in British industrial relations.

(Dr) N. Millward.
W. W. Daniel.
Caxton House,
Tothill Street, SW1.

Japanese feminism

From the Marketing Director, Sir Isaac Pitman

Sir, — Jurek Martin's article on Japanese feminism (Sept 19) does not mention one route which increasing numbers of Japanese women are using to escape their low status in business and industry.

The concept of a personal secretary is virtually unknown among Japanese employers and the jobs that would be done by them are split among low-level clerical staff. There is however, a considerable demand for bilingual secretaries from the Japanese subsidiaries of European and American companies, and well qualified female graduates are keen to get these jobs which command considerable respect as a feminine preserve. Well-subscribed interest groups have already been organised nationally to promote the cause of the new Japanese secretary.

Antony Gribbon.
6, Southampton Place, WC1.

Responsibility for consumer affairs

From the Vice-Chairman, National Consumer Council

Sir,—In your article on the bracing climate of the new Department of Trade and Industry (September 21) there was not a word about the department's responsibilities for consumer affairs.

To some of us that responsibility still seems crucial. Whatever recovery our economy has made has been consumer led. Consumers not only have a role to play: their role is a leading one. All Mr Parkinson's work selling British industry abroad will be worthless unless British consumers at home are finding the quality and cost of British goods to their liking. He would do well to keep his eye on British buyers' problems as a guide to the reactions he is likely to find abroad. No doubt this is why his department was given this important responsibility.

(Mrs) Joan Macintosh.
18 Queen Anne's Gate, SW1

Solicitors and advertising

From the Legal Adviser, Institute of Practitioners in Advertising

Sir,—The chairman of the British Legal Association (September 22) quotes the Royal Commission on Legal Services in support of the retention of the solicitors' conveyancing monopoly.

The commission however, also argued for the Law Society to allow individual solicitors to advertise—a move which the commission believed would increase competition and thereby encourage greater efficiency and a much needed reduction in prices. Several of your correspondents have rightly said that conveyancing charges are too high. The ban on advertising ensures that they remain high since it removes any incentive for a solicitor to compete on price.

It also prevents the public finding solicitors whose expertise is the most relevant for their needs. And this is increasingly a problem given the enormous growth of legislation and case law which has made a nonsense of the concept of the solicitor as the general practitioner of the legal profession.

In addition to the report of the commission, two reports of the Monopolies and Mergers Commission and the Office of Fair Trading have all said that it is in the public interest that individual solicitors be allowed to advertise. The solicitors' conveyancing monopoly might be better received if the Law Society took note and permitted some healthy competition within the profession.

Philip J. Circus.
44, Belgrave Square, SW1.

Money held by courts

From Mr R. Holloway

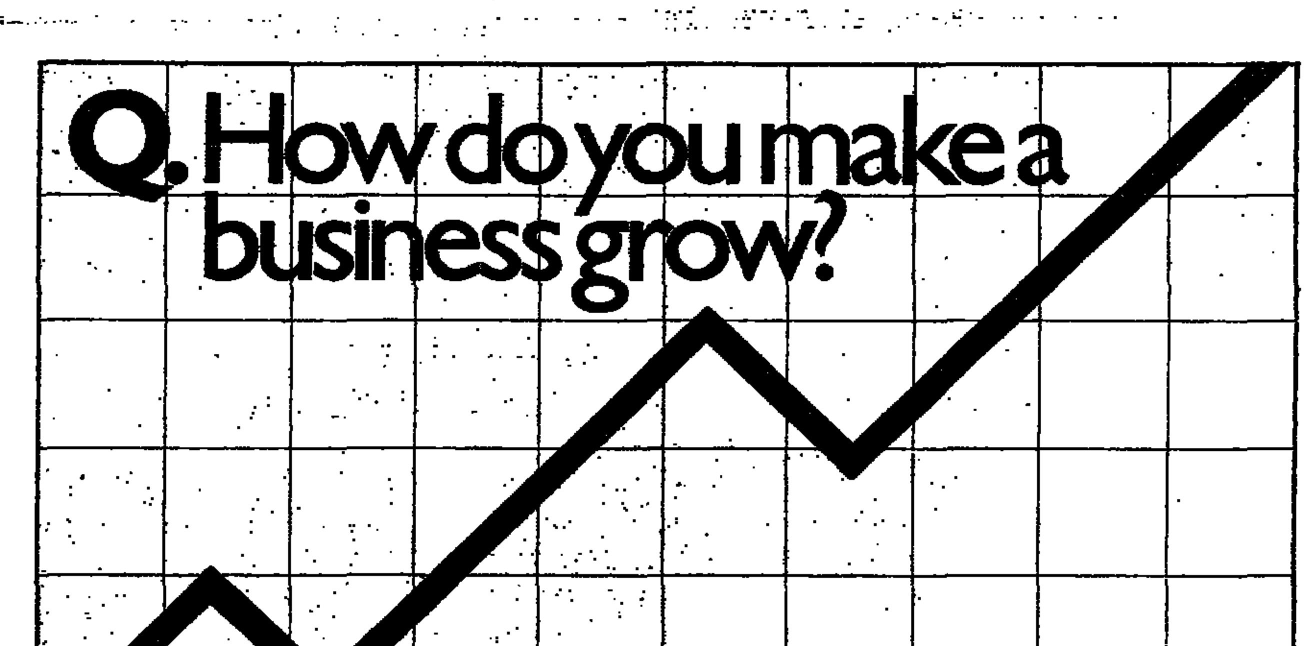
Sir,—I quote a letter from Sheerness County Court to the plaintiff in an action between two companies concerning non-payment of a debt. "The defendant in this action has today paid £x into court by cheque. To enable the cheque to clear, this remittance will be retained for 21 working days before it is paid to the above account."

A company will often wait at least four months from the date of an invoice before issuing a writ against a debtor. Naturally, such drastic action is only taken as a last resort because it usually heralds the end of a commercial relationship.

This being the case how can the courts justify withholding payment for a further month by waiting 21 working days before passing on the money to the plaintiff? The court would be informed within five working days of banking, if a cheque had not cleared.

Many companies are experiencing serious cash-flow problems, and the courts should not be allowed to worsen the situation by their inefficiency or desire for cheap finance.

R. C. A. Holloway,
Old Well House,
Hartlip,
Sittingbourne, Kent.



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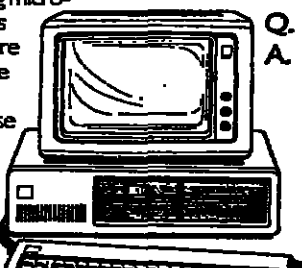

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SYRIA SUPPORTS FATAH REBELS

Arafat loyalists in Bekaa retreat

BY PATRICK COCKBURN IN BEIRUT

SYRIA has taken advantage of a month in which attention has been focused on the battles around Beirut to move to extinguish the last remnants of the Palestine Liberation Organisation (PLO) loyal to its chairman, Mr Yassir Arafat.

About 600 of his men, besieged in a town in the northern Bekaa Valley in eastern Lebanon, went back to the northern city of Tripoli yesterday where Mr Arafat is making his last stand. There have been clashes between pro- and anti-Arafat factions in the Palestinian camps in the area, with one group admitting 19 killed in the fighting.

A year after the PLO left Beirut, Mr Arafat has nowhere left to turn. The expulsion of the last loyalists from the Bekaa Valley is an indication that the Syrians do not intend to relax their pressure. They are determinded to oust him as the leader of the Palestinian cause and replace him by groups wholly obedient to Damascus.

President Assad of Syria has thrown his support behind the rebels within Fatah, much the largest organisation in the PLO, led by Abu Mousa and Abu Saleh. It is their men who have been allowed past the Syrian checkpoints in the Bekaa into the Chouf mountains close to Beirut, where they have been fighting alongside the Druze militias.

But nobody has found much evidence that many Palestinians took part in attacks on the Lebanese army garrison at Souq al-Gharb despite government claims at the height of the fighting; one of the rebel commanders, leading part of the Yarmuk Brigade in the Bekaa, said he had only 500 men in the battle area.

The effectiveness of this little force is doubtful. "It is a victory for the policy of confrontation our movement has been calling for," claimed the Fatah dissident leader, Abu Saleh, a white-haired man with bad asthma, sitting crosslegged on a blanket alongside his men in a lemon grove in the Bekaa. A few ancient T-54 tanks with mottled camouflage paint guarded the position.

At the heart of the present dispute is the decision to pull out of Beirut last year. "I agree with Gadaffi's statement that the PLO left in trucks like cattle," said a Palestinian in Beirut yesterday. "They were clobbered." Only gradually has the full significance of their defeat last year dawned on the PLO men.

Mr Arafat got sufficiently involved in the Reagan plan to talk to King Hussein about Jordan representing Palestinian interests in talks on autonomy for the West Bank and Gaza. He then obtained the worst of both worlds by failing to go along with King Hussein or to discover a credible alternative option.

When the rebellion in Fatah started earlier in the year it was sure of plenty of potential sympathisers among Palestinian civilians and fighters alike. Within weeks, however, it had become very much a Syrian instrument for an attack on Mr Arafat. Most Palestinians have now rallied around their old leader, though this does not impress Damascus.

The Palestinians have no real chance of a return to Beirut, once their capital in exile. Such a move would be opposed not only by the Lebanese Christians but by the Druze and the Shia and Sunni Moslems. Mr Walid Jumblatt, the Druze leader, has apparently tried to keep them out of fighting in the mountains so as not to provoke Israeli intervention.

The Palestinians who rebelled against Arafat have no real policy of their own. They may be able to launch more guerrilla attacks behind the Israeli lines if they get support from the local Moslem population in the area, but they are wholly under Syrian orders.

For the Palestinians as a whole, the best chance of retaining some of the world sympathy gained last year, according to one Palestinian in Beirut, is for greater agitation against Israeli settlements on the West Bank.

Trapped in his last strongholds in the Palestinian camps around Tripoli, there is little Mr Arafat can do. It is possible that the Syrians may step up their attacks on him there, and already there have been reports of fighting between PLO and Syrian troops.

None of the rebel leaders are likely to replace him in power or prestige. They are widely regarded as Syrian stooges, though many Palestinians accept that the original rebellion was justified. After 15 years as a critical political force in Lebanon, the PLO has now been reduced to only marginal influence.

Setback to peace efforts in Lebanon

By Patrick Cockburn in Beirut and David Lennon in Tel Aviv

HOPES OF an early return to normality in Lebanon suffered a blow yesterday when the Druze militia said they would consider the reopening of the international airport, expected today, as a violation of the ceasefire.

Meanwhile, the four-man security committee which is to arrange the ceasefire, met yesterday amid stringent security arrangements, in an abandoned bank building in south-east Beirut.

The meeting was protected by members of the 5,400 strong multinational force, the French and Italian contingents of which are also likely to contribute to the 600-strong team of observers who are to make sure that the ceasefire is enforced.

The four members of the security commission represent the Lebanese Army, the Christian Militia, the anti-Government National Salvation Front (of which by far the most important element are the Druze), and Amal, the political and militia grouping of the Shia sect, Lebanon's largest community.

The ceasefire continues to be generally obeyed but there was artillery fire at Khalde yesterday afternoon.

Once the Government is clear that the ceasefire will hold, a national dialogue is to be held, most probably in Saudi Arabia. Top of the agenda to be discussed at the meeting of all the political groupings in Lebanon will be the status of the May agreement between Israel and Lebanon, which Syria demands be abrogated, according to the independent daily An Nahar.

The agreement provided for the eventual withdrawal of Israeli troops from Lebanon. But the Government in Jerusalem has made this conditional on a parallel withdrawal by Syria and Palestinian forces.

Israel has meanwhile called on the Druze in Lebanon to drive Palestinian guerrillas out of the Chouf mountains, Professor Moshe Arens, the Defence Minister, has revealed, adding the warning: "If the Druze do not eject them, we will have to act."

This threat to send the Israeli army back into the Druze-controlled Chouf is the latest public expression of Jerusalem's concern over the advances made by the Palestinian guerrillas during the recent fighting.

Israel does not want the Palestine Liberation Organisation (PLO) to rebuild its bases in the Chouf near the new Israeli front line along the Awali River. "So long as there is a danger that the terrorists will try to come near that line," Prof Arens said, "Israeli forces will continue their patrols north of the Awali."

Clearly disturbed by the co-operation between the Druze militias and some Palestinian factions during this month's fighting, Israel has cautioned the Druze to sever these links. This demand has also been supported by Sheikh Amin Tarif, spiritual leader of the Druze in Israel.

Mr Yehuda Ben-Meir, the deputy Foreign Minister, explained this week that Israel does not consider the Lebanese Druze as its enemies "as long as they do not embrace or give comfort to the Palestine Liberation Organisation."

These messages have also been delivered privately to the Druze via emissaries who visited Jerusalem recently on behalf of Mr Walid Jumblatt, the Lebanese Druze leader, apparently to try to allay Israeli fears about co-operation with the PLO.

Retaining the goodwill of Israel is important for the Lebanese Druze who are believed to have received arms and supplies from Israel, despite vigorous denials of this by the Defence Ministry in Tel Aviv.

THE LEX COLUMN

U.S. steel in the crucible

The very fact of yesterday's protracted negotiations between Republic Steel and LTV suggests the extent of the further rationalisation hanging over the U.S. steel industry, even after major closures already announced or proposed by Bethlehem Steel and U.S. Steel.

Launched in the wake of its crippling 1982 losses, the industry's shake-out has if anything gained in urgency as sales and operating rates have flattened out since the first quarter's recovery.

Both Republic and LTV have had their own special problems, in the automotive and oil and gas markets respectively, and they appear to be looking for substantial cost savings – perhaps via a merger which could reduce their aggregate capacity from 24m tonnes to about 20m tonnes.

Total U.S. production capacity still hopelessly in excess of actual levels and heavily based on outdated plant, will need a few more cuts of this size to attain the reductions thought necessary by Wall Street, which are estimated at 10 per cent by brokers Shearson/American Express.

This alone ought to free LTV of any anti-trust impediments, just as happened in the industry's last crisis in 1977/78 when LTV was allowed to acquire Lykes-Youngstown.

LTV subsequently pared down its steel workforce with ruthless efficiency and this suggests significant implications in the latest deal for non-U.S. steel producers.

U.S. companies face inevitable lay-offs from deals such as this while they are still struggling to compete with state-subsidised imports, notably from Brazil now that restraint agreements with Japan and the EEC are in place.

With or without new import restraints, though, most Republic shareholders would presumably be happier to take LTV's cash than a restructured stake in this predicament.

Mills & Allen

For a modern-day financial services company, Mills & Allen has had a pretty ordinary sort of year. New limbs have sprouted everywhere, including the obligatory securities dealing arm in New York, while the rights issue which financed that deal was followed up by placings of almost a fifth of the equity by two long-term shareholders.

Under this seething activity, Mills has kept profits moving swiftly enough. Pre-tax profits for the year to June were up by a half to £19.07m, overcoming dilution to allow a 16 per cent rise in earnings per share. At 325p, up 10p, the shares stand on 10 times stated earnings and yield 6 per cent.

Of course, the balance of the business has been completely inverted, with billboards and other "media" generating 30 per cent of profits, against 60 per cent in 1982. Poor weather early in the summer dampened the market for outdoor advertising, but the main difference is made by a full year from the Guy Butler money broking business (as opposed to a fortnight) and a two-month contribution from Garban in the U.S. Mills is now seeing what it can make of retailing financial services from its new chain of insurance boutiques.

Aurora

Aurora is back in the land of the living. Yesterday's figures for the six months to June come hard on the heels of the group's capital reconstruction and so deliver only the most preliminary judgment on the adequacy of that exercise. But, on first appearances the banks have thrown Aurora a lifejacket with just enough air in it.

Now that steel is out of the way, Aurora has the opportunity to show that its other businesses can earn a worthwhile return. The interim trading profit of £2.5m is probably not much different from that earned on the same operations in the first half of last year. But, with Australia suffering badly in the early part of 1983, the UK divisions have shown some underlying improvement.

The Openshaw disposal should help to reduce net debt to about 70 per cent of shareholders' funds at the year-end from the 90 per cent figure shown in the pro-forma 1982 accounts. Aurora will probably need to step up capital spending retarded by the steel problems, which may restrict further progress on debt, but even without disposals it could restore a manageable level of income gearing. Given a fair wind, trading profits might cover the interest charge three times next year.

Willis Faber

Johnson & Higgins, one of the top five insurance brokers in the U.S., seems to have found a relatively painless way to establish a physical presence in the London insurance community. Unlike other U.S. competitors, such as Marsh & McLennan, Frank B. Hall and Alexander & Alexander, Johnson & Higgins, a dedicatedly private company, has avoided acquisitions, preferring instead to develop its long-standing correspondent links with Willis Faber, the UK broker, which date back nearly 100 years.

Willis is to take a 49 per cent stake in Johnson's reinsurance subsidiary and this joint venture will control a Lloyd's broking company in London. The deal is the latest in a series of ventures formed over the last few years to formalise the two groups' relationship. But this move gives the Americans direct access to Lloyd's, the prize other groups have fought for through acquisition, at great cost. Alexander & Alexander, with Howden under its belt, might take notes.

Bundesbank seeks to halt DM bond swaps

By Mary Ann Sieghart in London

THE BUNDESBANK yesterday admitted that it had asked commercial banks to refrain from issuing swap-related bonds in the D-Mark foreign bond market.

Dr Kurt Andreas, head of the credit department of the Bundesbank, said in London that the bank was "somewhat disturbed" about the use of interest rate and currency swaps by foreign borrowers in the German market.

In an interest rate swap, one borrower issues a fixed-rate bond while another raises floating rate finance. Each then services the other's interest payments. The same principle applies with a currency swap. Often the two are used together: for example, fixed rate D-Marks could be swapped for floating rate dollars.

Dr Andreas told a Financial Times conference he was worried that "additional issuers would enter the market who would never use it in the absence of the swap facilities because they normally conduct their financial transactions in other currencies and markets." This might lead to a crowding-out of potential issuers and/or a rise in D-Mark interest rates because of over-supply.

At the moment, new issues in the D-Mark Eurobond sector are controlled by calendar set each month by the sub-comittee on capital markets. However, the procedure is an informal one, and the Bundesbank has no legal powers to enforce it. Dr Andreas expressed fears that this informal agreement might break down through new issue pressure.

The Bundesbank is also concerned about the secrecy of such swap transactions. Investors who buy a bond rarely know whether a swap is involved and even when they do, are almost certain to be ignorant of the counter-party's identity. Thus a regular borrower in the market could launch a bond at lower terms through another unfamiliar issuer and this would not be evident to the general public.

Meanwhile, lead managers have been informally asked to hold off from these deals while the Bundesbank examines their implications more closely.

FT Conference report, Page 22; Eurobond report, Page 42

Renault seeks further FFr 1bn to finance investment plan

BY PAUL BETTS IN PARIS

RENAULT, France's large state car group, is to raise FFr 1bn ($125m) to help to finance its substantial FFR 9.5bn 1983 investment programme by launching on Monday the group's first issue of so-called "participatory certificates."

Renault will thus become the fifth French state company to raise money this year by using this new investment instrument involving non-voting stock which state companies can issue on the Paris bourse. With the Renault issue, the nationalised sector will have raised about FFr 4bn with these instruments so far this year.

Renault's certificates will have a guaranteed minimum interest rate of 9 per cent a year indexed on the company's annual sales performance.

M Pierre Souleil, Renault's financial director, said yesterday that Renault planned to spend FFr 30bn in investments during the three-year period 1983–85. In 1983, the group's total investments would amount to FFr 9.5bn.

To finance these investments, Renault has raised FFr 1.5bn in a bond issue floated last July, is receiving FFr 1bn from the French Government in 1983 capital endowment, and is now raising FFr 1bn through the participatory certificates. The remaining FFr 6bn is to be financed by bank credits and internal cash resources.

Renault is expecting to report another loss this year after losing FFr 1.28bn in 1982. Although M Souleil declined to discuss in detail the group's financial performance so far this year, he confirmed that it would be another "bad" year.

In the first half of this year, however, Renault's losses were lower than in the same period in 1982. Group sales increased in the first half by a little more than 10 per cent, while parent company sales, involving about two thirds of the total, rose by about 12 per cent in the first half.

But the overall outlook for the year remains clouded because of uncertainties on the performance of the French market, which accounted for 55 per cent of Renault's FFr 97bn sales last year, during the last three months of this year.

Renault has seen export sales increase by 22 per cent during the first eight months of this year and production rise by 13 per cent during the same period compared to the first eight months of last year. But domestic sales declined by 10 per cent in the first eight months.

Moreover, while the car division, which reported a FFr 20m profit last year, is expected to break even again this year, the group continues to be burdened by the losses of its industrial vehicles division.

M Souleil claimed yesterday that Renault's major problem at present was the fact the company was in the midst of renewing its model range. The situation should stabilise by 1985 and 1986 after the range had been renewed.

M Souleil also said the company expected to tap the long-term U.S. debt market in 1987. This would be two years after Renault started to have its balance sheets audited on the Anglo-Saxon norms.

The Renault executives renewed the group's investment commitments in the U.S., Mexico and Portugal

Managers leave German group

BY JOHN DAVIES IN FRANKFURT

THE CHIEF executive and two other top managers of Deutsche Anlagen-Leasing (DAL) are parting company from the West German leasing group after a disagreement over new strategy.

This move follows a disclosure that the consortium of banks owning DAL is providing aid to help cover risk provisions of about DM 120m ($45.4m) resulting from a write-oown in the value of property on lease.

DAL's supervisory board announced yesterday that Herr Günter Zöller, the chief executive, Dr Walter Schneider and Dr Thomas Kabierschke would leave the management board with immediate effect.

The new chief executive is to be Professor Hans Wielens, a senior manager of building property business at Westdeutsche Landesbank (WestLB), the largest single shareholder.

Two members of the management board, Herr Jürgen Sievers and Herr Herbert Wiedl, are to remain.

Herr Zöller said last night that the entire management board disagreed with the new strategy

The banks wanted to restrict the nature and extent of DAL's leasing activities, he said.

In addition, the new policy would remove the degree of independence that he had exercised

Securities firms' parent insolvent

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

THE LONDON Stock Exchange is seeking details from its member firms about their dealings with C and R Securities of Spain, and the New York securities firm C and R Pastor Securities Inc following the announcement that the parent company of both firms, C and R Pastor Securities of Panama, is insolvent.

The move follows widespread fears in the London market that stockbrokers and jobbers may have been left with millions of pounds worth of debts following the insolvency.

The insolvency announcement said that C and R Pastor Securities SA (Panama) "is insolvent and will not be able to complete deals that are open between ourselves. Banks, brokers and other organisations are advised to take such steps as they deem prudent with respect to open items. They are further advised that it is unlikely that C and R Pastor Securities SA will be able to cover losses resulting from the closing of our positions and that they should exercise their own business judgment as to such matters."

The Securities and Exchange Commission filed suit in the U.S. court in New York against the U.S. arm of C and R Pastor charging it with fraud for allegedly failing to deliver securities to brokerage firms after contracting to sell them. A total of six brokerage firms were hurt by the actions, the commission said, sustaining about $21m in losses.

In London yesterday brokers and jobbing firms were attempting to assess their exposure to the affair. Four firms of brokers are understood to be involved and at least one major jobber. Trading in London was effected through "cash and new" arrangements whereby Pastor was able to carry over its trading positions on to other accounts.

● C and R Pastor has no connection with Banco Pastor, a Spanish bank.

London Stock Exchange details, Page 31

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	27	81	Dubrovnik	S	23	73	Malaga	F	26	79	Salzburg	S	21	70
Algarve	S	28	82	Faro	S	26	79	Malta	S	25	77	Seoul	S	21	70
Algiers	F	25	77	Florence	S	29	84	Manila	R	29	84	Singapore	C	32	90
Amsterdam	C	17	63	Frankfurt	S	23	73	Miami	R	29	84	Stockholm	S	12	54
Athens	S	27	81	Funchal	S	24	75	Milan	S	23	73	Strasbourg	S	21	70
Bahrain	S	35	95	Geneva	S	20	68	Moscow	F	15	59	Sydney	R	28	82
Bangkok	R	31	88	Gibraltar	S	26	79	Munich	S	20	68	Taipei	C	31	88
Barcelona	S	25	77	Guernsey	S	20	68	Nairobi	F	25	77	Tangier	S	29	84
Beirut	S	29	84	Helsinki	F	9	48	Naples	F	25	77	Tehran	–	–	–
Belgrade	S	21	70	H. Kong	S	33	91	New Delhi	S	34	93	Tel Aviv	S	30	86
Berlin	C	15	59	Innsbruck	S	22	72	New York	S	27	81	Tenerife	S	31	88
Biarritz	S	25	77	Inverness	C	9	48	Nice	S	25	77	Tokyo	R	18	64
Blackpool	C	17	63	Istanbul	S	23	73	Oporto	F	20	68	Toronto	C	20	68
Bordeaux	S	25	77	Jersey	S	19	66	Oslo	S	13	55	Tunis	F	22	72
Brussels	S	19	66	Jo'burg	S	28	82	Paris	S	22	72	Valencia	S	25	77
Budapest	–	–	–	Las Palmas	S	30	86	Prague	–	–	–	Venice	S	22	72
B. Aires	R	16	61	Lima	F	20	68	Reykjavik	S	5	41	Vienna	S	19	66
Cairo	S	33	91	Lisbon	S	26	79	Rio de J'o	C	27	81	Warsaw	C	16	61
Cape Town	F	17	63	Locarno	S	21	70	Rome	R	25	77	Zurich	S	17	63
Caracas	C	29	84	London	C	17	63								
Casablanca	S	26	79	Los Angeles	C	27	81								
Copenhagen	S	14	57	Luxembourg	S	22	72								
Corfu	S	26	79	Madrid	S	24	75								
Dublin	F	17	63	Majorca	F	26	79								

Readings at mid-day yesterday

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Reagan sets date to visit China

Continued from Page 1

issue during his visit and these would continue with his personal participation.

"There is a general interest (by China) in anti-aircraft weapons, air defence weapons, as well as tank defence weapons and those were certainly discussed. There were other weapons systems discussed, too," Mr Weinberger said.

The talks "will mature into – I won't say quickly – into actual transfers of weapons systems, if that's what the Chinese want," he added.

China is believed to be more interested in acquiring military-related technology and possibly co-producing defence items, rather than buying large quantities of equipment.

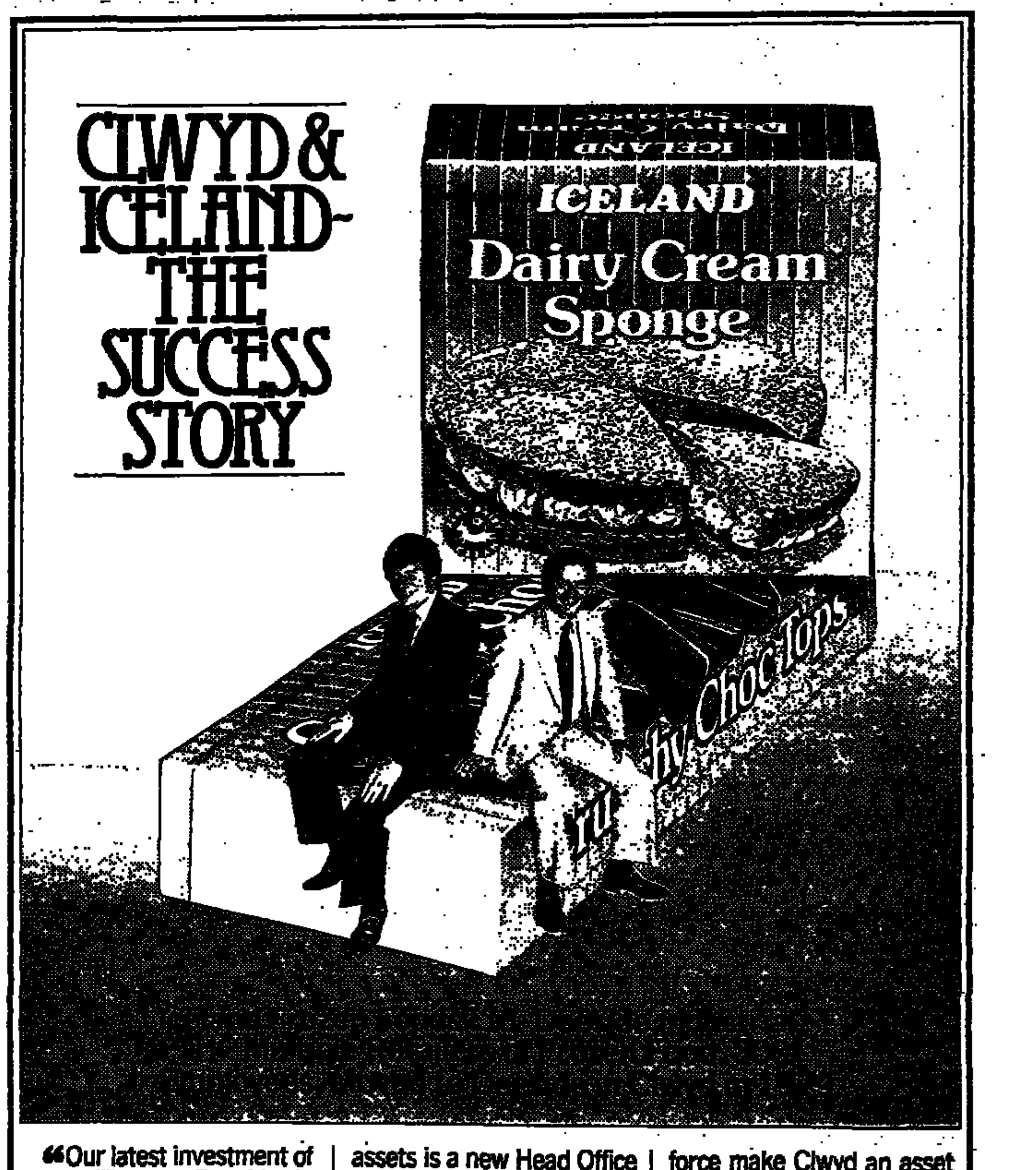
The Chinese Premier said yesterday that while China needed help to modernise its defence forces, it could not afford to import a lot of expensive equipment.

Mr Weinberger said members of his team had also held detailed discussions with the Chinese on possible sales of civilian and "dual use" technology.

Reuter reports from Peking: China and the Soviet Union will resume talks here on October 6 as part of efforts to improve relations after more than 20 years of hostility, a Chinese government spokesman announced.

China has also been trying to improve ties with the Soviet Union. Earlier this month Soviet Deputy Foreign Minister, Mr Mikhail Kapitsa, visited Peking as a guest of the Chinese government for the first time.

China has named the main obstacles to better relations with Moscow as the Vietnamese military involvement in Kampuchea, large numbers of Soviet troops on the Sino-Soviet border and in Mongolia, and the Soviet intervention in Afghanistan.



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FINANCIAL TIMES

Thursday September 29 1983

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Armco and Peabody in $250m deal

By Paul Taylor in New York

ARMCO, the major diversified steel and energy company, yesterday announced a major corporate restructuring, affecting both its steel and energy divisions.

The company, the sixth largest U.S. steelmaker, said it had agreed to sell its West Virginia coal production properties and its interest in a soon-to-be completed Newport News, Virginia, coal terminal to Peabody Holding for $250m.

Armco also said it has sold its oil and gas subsidiary, Strata Energy, to Dallas-based, Natural Resource Management, for $66m and also announced major changes in its steelmaking operations.

The restructuring forms part of a previously announced plan by the company to sell assets that no longer fit into a new strategic plan aimed at improving Armco's cash position.

The change in direction was forced by the recession, which led the company into a $345.1m loss last year – its first loss for 44 years – and a net loss of $204.2m in the first six months this year.

In its annual report the company said it planned to cut costs and reduce its debts through the planned sale of about $500m of assets including a 20 per cent stake in its financial services group. Since the start of last year Armco has reduced its salaried staff by 6,000 or 27 per cent and cut its commercial paper debt from $416m in March last year to under $100m.

As another part of the restructuring, Armco yesterday said it had reached agreement in principle with Dofasco of Hamilton, Ontario, for an exchange of iron ore properties. Armco is virtually self sufficient in iron ore, limestone and coal.

Armco intends to combine the operations of its flat-rolled carbon steel facilities in Ashland and Middleton, Ohio. Open hearth steel melting at Middleton will be phased out as will the hot strip mill at Ashland.

Armco will install new equipment at both plants and expects eventually to have all steel continuously cast at both plants.

The sale of the coal properties had also been widely expected. Peabody is the largest U.S. coal producer, with revenues last year of $1.3bn from the sale of 58m tons of steam coal, mostly to electricity companies. The holding company is owned by Newmont Mining, the Williams Corporation, Bechtel Investments, Boeing and Equitable Life Assurance Society of the U.S.

Rolm to launch IBM-based message centre

By Our New York Staff

ROLM, the California-based advanced telecommunications equipment manufacturer, said yesterday that it expects to make the first product resulting from its technical alliance with International Business Machines (IBM) available in October 1984.

Rolm, in which IBM now has a 17.7 per cent stake as part of its strategy of acquiring equity stakes in companies to support technical pacts, said the first product will be a computerised message centre capable of handling up to 10,000 voice or data lines. It will sell for about $115,000.

The message centre will consist of IBM's computerised message terminal and Rolm's computerised switchboard.

The announcement of the new product underlines the importance of IBM's new strategy to ensure its continued competition in the office equipment and telecommunications industry.

Terry Dodsworth in New York writes on two companies fighting to rediscover glory

New sparks in the U.S. electronic games market

LITTLE FUN is to be had these days in making electronic games. In swift succession, the two U.S. companies which virtually created the market and built the industry to a billion dollar scale have been knocked off their pedestals. It will take a long time for them to pick up the pieces.

The duo – Atari and Mattel – have announced aggregate losses of $557.2m in their home electronics divisions over the last six months. Yet only a year ago they were both riding on the crest of what appeared to be a very big and unstoppable wave. Atari seemed to have money to burn. "When the stock was near $60, nobody complained that the company had style," says Mr Steven Ross, chairman of Atari's parent, Warner Communications, explaining the group's lavish entertainments budget. "At around $20, people start complaining."

Growth for both of them had been staggering. Atari, bought by Warner for a song seven years ago, had subsequently shot to international recognition, while racing ahead to generate half the group's sales and around 60 per cent of operating profits of $522m in 1982.

At Mattel, the transformation had been just as astonishing. Known already as the creator of the Barbie Doll, one of the world's most successful toys of its era, Mattel propelled the electronics division ahead so rapidly that it had grown in the space of three years from about 10 per cent of profits to half. Operating profits in the division jumped from $7.3m in 1981 to $67m in the year to January 1983, carrying group net earnings up from $7.9m to $42.4m.

Disaster struck with the force and speed of a cyclone. Given the record of the electronics industry for such swift and remorseless reversals, it perhaps ought not to have surprised anyone. But many shareholders appear to have been caught completely unawares. Warner Communications' share price lost almost 40 per cent last December as Atari's problems sank in. Mattel's, which had risen to $31½ towards the end of last year, plunged in the spring, and now stands at $6¾.

There is no overwhelming consensus on how things went so wrong. Analysts, many caught out as badly as the man in the street who believed he was investing in effortless 20 per cent annual growth, cite a number of factors.

Loose management: The key activities expanded so fast that they outgrew the management systems set up to control them. Some credence is given to this view by the wholesale blood-letting and reorganisation that has followed the collapses.

Weak product strategy: Managements became so complacent after the relatively undiscriminating response of the market to early products that they put insufficient development effort into the new range of games. Dealers have complained, for example, that Intellivision II, the second generation Mattel product, offered little new at all. The market, however, had become more sophisticated by the time of its launch earlier this year and promptly rejected the product.

Costs: U.S. wage rates became increasingly difficult to bear as soon as the competition intensified, with some rival products being made in the Far East.

Glee for the young players of the Atari Soccer video game: less glee for Atari and Mattel.

The rate of growth began to slacken about a year ago. No adequate figures on the electronic games market exist, but the victims of the collapse have all been caught with enormous stocks which they have found impossible to liquidate quickly, and some of which, indeed, they may be stuck with forever.

Mattel, for example, announced heavy inventory write-offs against *profits in its half-year figures. It is* almost as though the industry is responding to an ephemeral fad, an impression which is reinforced this month by problems in two Californian games software companies, Imagic and Activision. The first has been forced into heavy layoffs, the second into raising forecast losses for its second quarter, to September, to $5m from $3m.

Apart from the market flattening out it also appears to be moving in a different direction, with electronic games becoming much more a part of the home computer industry. The games manufacturers saw this themselves as they began to move into home computers: but some of the home computer companies have been quicker to grasp the opportunities.

Even without the robust American business ethic, which teaches that market disasters must be met ruthlessly and head on, the scale of the slump would have called for radical action. Expectations have not been disappointed. Management heads have rolled, entire factories have been wiped out and enormous write-offs pushed purgatively through the balance sheets.

Atari's solution has been a combination of blood-letting and blood transfusion. After taking on 2,500 workers in the U.S. in 1982, some 1,600 were made redundant in the first half of this year, and some manufacturing was transferred to Hong Kong and Taiwan. This was followed by a change at the very top, when one of the U.S.'s most celebrated marketing specialists, Mr James Morgan, from the Philip Morris Tobacco Company, was brought in and given a free hand as chief executive. He has lost little time since he arrived at the beginning of this month, immediately shunting aside some senior executives and moving to impose some order on the group's spread-eagled production and management structure.

What the talk of development means in precise product terms is anyone's guess. There is speculation, for example, that the group will abandon its Atartitel project aimed at a computer-based telephone. But Atari is still clearly determined to stick in the video games business, and Warner has a sufficiently strong balance sheet to see the next cycle of development through. Even after accounting for a first half loss of $356m – consumer electronics ran up an operating deficit of $356m – its common equity still stands at $1bn.

For Mattel, however, it is a very different matter. Never as big as Atari, which was once credited with 80 per cent of the U.S. electronic games market and still has around 40 per cent, it has given little indication of having the strength or desire to see through a whole new generation of development.

Its market share is reckoned to have slumped from around 15 per cent to 10 per cent, and the losses and write-offs have played havoc with its balance sheet. By the end of June, as half-year losses soared to $201m, its equity had been reduced in 12 months from $281m to $81m, while short-term debt had shot up from $300m to $410m. A longer-term agreement is now being worked out with the banks, which have agreed to support the group until mid-1985, on the strength of the security offered by certain subsidiary assets and accounts receivable.

Mattel included a $95m provision against cuts and stock write-offs in the first half, so there ought not to be a great deal more to come. Even so, the losses have sharply reduced its room for manoeuvre. With cash flowing out of the company and the interest burden due to go up, it scarcely has the financial resources to push into the kind of development which would keep it in the forefront of a business

These constraints are reflected in the severity of the pruning it has undertaken. One third – 650 – of its white collar workers have been laid off, the second generation game, Intellivision II, abandoned, and the Aquarius home computer plan severely trimmed back.

The net result of this slimming course, the company admits, will be to reduce the *electronics activities* to a smaller size than the traditional toy-making. The old heart of the company, which has gone through its own crisis in the past, is still beating strongly. In the first half, it raised sales by 13 per cent and achieved record operating profits, of $42m. It looks as though Mattel will have to fall back on this to see it through the new crisis. Barbie to the rescue.

Solvay doubles interim profit

By Paul Cheeseright in Brussels

SOLVAY, the diversified chemicals group and Belgium's oldest multinational company, more than doubled its net profits in the first half of this year as conditions on the plastics market improved.

Net profits for the six months to June were BFr 2.33bn ($43.34) compared with BFr 1.16bn in the same period of 1982. The increased profits came on the back of a rise in turnover to BFr 95.37bn from BFr 88.8bn.

Over most of the range of its products Solvay held its own in the markets without much change in the position from last year. But the crucial difference for the figures was an improvement in PVC prices from the depressed levels of 1982.

At the same time there was an improvement on the polypropylene market.

Despite that better performance, the Solvay board is remaining cautious about its dividend policy, choosing to maintain its 1983 dividend at the 1982 level of BFr 70 a share.

Litigation hits GPU earnings

GENERAL PUBLIC Utilities' operating profit rose by 28.8 per cent to $41.51m, or 68 cents a share, for the year to August, **Our Financial Staff writes.** Net earnings of the energy holding company which owns the Three Mile Island nuclear plant, nevertheless emerged 17 per cent lower at $22.99m, after litigation settlement of $14.65m and $3.86m write-offs.

The company says that since the accident at the plant in March 1979, the future earning power of its system is dependent on regulatory responses to a number of major uncertainties created by the incident.

Gildemeister to lift interest in Pittler

BY JOHN DAVIES IN FRANKFURT

GILDEMEISTER, West Germany's biggest machine tool manufacturer, is pressing ahead with its recovery strategy by increasing its stake in Pittler, another machine-tool maker.

Gildemeister, which is boosting its stake from 24 per cent to 75 per cent, plans to introduce wide-ranging co-operation between the two groups in research, production and sales.

Both companies have long been operating at a loss. Gildemeister last paid a dividend in 1973 and Pittler in 1975.

Dr Horst Göhren, the chief executive at Gildemeister, said yesterday that his company would buy the 51 per cent stake in Pittler held by Deutsche Bank and Dresdner Bank.

He said that Gildemeister would raise funds by increasing its nominal capital by DM 8m to DM 48m ($18m). The main shareholders, Sauer Getriebe and Westdeutsche Landesbank, each with more than 25 per cent, would participate in the capital increase, but it was not yet clear to what extent.

He declined to disclose terms of the capital increase or of the Pittler acquisition.

Problems at Gildemeister and Pittler have been aggravated by the deep recession in the machine tool industry in the last few years and by growing competition from technologically advanced rivals abroad, notably the Japanese.

Both companies have carried out extensive restructuring and have cut their workforce sharply.

Gildemeister's worldwide sales revenue fell 15 per cent last year to DM 428m, while Pittler – whose 1982 results are to be published later this week – is understood to have suffered a 20 per cent setback in sales to about DM 140m.

Gildemeister sees co-operation with Pittler as a key part of its strategy to build a strong and technologically modern force capable of taking on foreign competitors.

Dr Göhren said that both companies would report losses for this year, but results should improve next year.

Although orders overall were still weak, Gildemeister's factory automation systems division was operating successfully, he said.

Erbamont earns $13m

BY RUPERT CORNWELL IN ROME

ERBAMONT, the company incorporated last May to handle the pharmaceuticals and health care operations of Montedison, the Italian chemical group, yesterday reported a first half net profit of $12.8m, or 33 cents a share, on total net revenues of $279.1m.

Erbamont, which is registered in the Netherlands Antilles and quoted on the New York Stock Exchange, announced in the prospectus accompanying the listing on Wall Street that its net income in 1982 had reached $34m, on net sales of $537.8m.

In May 1983, Erbamont signed an agreement to acquire Adria Laboratories, a subsidiary of Hercules, the U.S. chemical company. Following that transaction, Hercules will own some 15 cent of Erbamont, while Montedison retains an interest of 77 per cent.

It was simultaneously announced in Milan that Farmitalia/Carlo Erba, the principal operating subsidiary of Erbamont, raised its own turnover by 17 per cent in the first six months of 1983 to L254bn ($159m), while consolidated income rose 8 per cent to L372bn, of which 62 per cent was achieved abroad. Spending by the company on investment and research and development totalled L55bn

Rinascente sales up by 14%

By James Buxton in Rome

LA RINASCENTE, one of Italy's leading stores groups with interests in department stores, supermarkets, hypermarkets and other types of stores, saw its sales rise by 14 per cent in the first six months of 1983, compared with the first half of 1982. This is just under the inflation rate over the period.

Sales totalled L786bn ($475m) including value added tax. The best result was delivered by the food sector, whose sales rose 21 per cent, reflecting the fact that the company is promoting sales of fresh food in its supermarkets to attract customers away from smaller shops.

Non-food sales did much less well, growing by only 10.9 per cent, and affected by weak sales of clothing.

● Assicurazioni Generali, Italy's leading insurance company, had a 14 per cent increase in premium income in the first half of 1983 compared with the first half of 1982. Premium income for the parent company rose to L1,077bn ($673m), of which L307bn was from life insurance premiums and L770bn from damage insurance.

Rite Aid up in second quarter

By Our Financial Staff

RITE AID, the U.S. drug store and groceries group, increased second quarter net earnings from $10.7m or 51 cents a share to $12.6m or 60 cents.

This took earnings for the six months to August 27 to $24m or $1.14 a share, up from $20.2m or 96 cents. Sales rose from $596.6m to $694.3m, with $349.7m ($302.1m) coming in the second quarter.

Creusot-Loire plan unresolved

BY DAVID HOUSEGO IN PARIS

A BOARD meeting of Creusot-Loire, the French engineering group which is threatening to file for bankruptcy, broke up yesterday without resolving the future of the company.

A brief statement, which reflected the tense negotiations now taking place with the Government over the disposal of its steel and part of its nuclear interests, merely said that the board would meet again soon. Two weeks ago the board also postponed final decisions on the restructuring of the group.

Creusot-Loire is hoping to raise some FFr 1.2bn ($150m) by selling its steel subsidiaries

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JULY 1983

President of Ayala to step down

BY EMILIA TAGAZA IN MANILA

MR ENRIQUE ZOBEL, the controversial president of Ayala Corporation, the giant Filipino conglomerate, yesterday announced his early retirement from the company's top post. Mr Zobel, who has served Ayala for 37 years, 18 of them as president, has three more years before the compulsory retirement age of 60.

In announcing his retirement, Mr Zobel, who has been described as one of the richest bankers in the world, said he would devote more time to the chairmanship of the Bank of Philippine Islands and Ayala International.

On Monday, President Ferdinand Marcos accused businessmen, including those associated with Ayala companies, of instigating demonstrations against him in Manila's business district.

Mr Zobel, however, says: "I am not responding to political pressure of any kind. The current political situation is not playing any part in my business decisions."

Mr Zobel's resignation from the Ayala master company is seen as significant by the banking and business community. Immediate reaction was that his decision would shift his attention and possibly his base of operations abroad.

Ayala International has numerous construction projects overseas, including the Sultan of Brunei's palace and other property development projects in South-East Asia. The Bank of Philippine Islands (BPI) is the second largest private commercial bank in the country by assets, and has substantial interests in Asia International Bank in New York and the Island Development Bank in Brunei.

During the last three months, there has been widespread anxiety among bankers and in the Government over a flight of capital from the Philippines because of the prevailing economic and political uncertainties.

Some bankers say that many wealthy Filipinos have been skilfully and quietly transferring assets abroad while the economy was deteriorating further. The country has been getting deeper into debt, with outstanding foreign debts reaching U.S.$18bn, the third largest figure in Asia.

The balance-of-payments deficit has also been worsening. Last year's shortfall hit a record U.S.$1.1bn and this year's figure is expected to equal that.

The assassination last month of Mr Benigno Aquino, the popular Filipino opposition leader, has exacerbated the uncertainties and set off an overwhelming show of anti-Government sentiment including some violent confrontations between demonstrators and the police.

Businessmen commenting on Mr Zobel's resignation said it was in his interest to consolidate his capital. Ayala Corporation has been adversely affected by the depressed Philippines property and real estate business. Last year, net profit dropped to 105m pesos (U.S.$9.5m) *from 1981's 150m pesos.*

INTERNATIONAL COMPANIES and FINANCE

Michael Thompson-Noel on the rise and rise of an Australian banker

Whitlam puts State Bank on the map

FOR AN Australian banker, Mr Nicholas Whitlam, the 37-year-old managing director of the State Bank of New South Wales, stands out from the crowd.

Firstly there's his height of 6ft 3½ins, then his appearance —svelte suiting, relaxed gaze, bold eyebrows, prematurely silvered hair and plastic-rimmed glasses. Then there's his background: schoolboy breast-stroke champion, Sydney University, Harvard, Morgan Guaranty (he was "Mother Morgan's youngest-ever vice-president), American Express (in Australia), and Banque de Paris et des Pays-Bas (in Hong Kong).

And then there is the name: His father is Gough Whitlam, former Prime Minister of Australia. Mr Graham Freudenberg, Gough Whitlam's biographer and speechwriter to reigning Labor Premier Bob Hawke, says, however, that "Nicholas doesn't suffer from the competitive son-of-the-great-man syndrome . . . he's confident enough of himself not to have to measure himself against his father."

Given a distinguished merchant banking background, he was a natural choice to take over as managing director of the State Bank of NSW (formerly The Rural Bank of NSW) in November 1981.

Since then he has presided over a period of great change in which the sleepy old Rural Bank (a slumbering green giant) has been thrust into the limelight.

Under Mr Whitlam it has become marketing-orientated. It has introduced a regionalised retail banking structure; bolstered its corporate and international activities; recruited senior personnel from outside; developer off-balance sheet lending; created a new funds management division; delegated decision-making so that managers manage, rather than administer; and started joint ventures with the trade-financier Euras Australia (owned jointly with a subsidiary of Deutsche Bank) and the Merchant Bank BOT Australia (a subsidiary of Bank of Tokyo).

It has opened offices in New York and the Cayman Islands, and opens a branch office in London on October 4 that will concentrate on foreign exchange and treasury dealings, corporate finance, money transfer, and trade credits.

To help finance its international operations, it recently made a US$100m note on the Eurocurrency market.

It is a trading bank only, with a total of 251 branches, and is an agency of the State Government of NSW. Total assets at June 30, 1983 were A$4.8bn (US$4.3bn), and net interest income in its last year about A$90.5m. It is the best-capitalised bank in Australia.

Events have moved swiftly since Mr Whitlam took over, for he has introduced flair and aggression. "Essentially," he says, "we are seeking to change the State Bank from a statutory authority with no really identifiable goals into a business enterprise which happens to be publicly-owned."

Formerly, he says, the bank never really had a purpose. "I don't tolerate people who are lazy, and that was something I found here. The place was structured for the benefit of the employees."

Mr Nicholas Whitlam

Decision-making was concentrated at the highest level of the bank's hierarchy. Departmental budgets and targets were not set, and thus could not be monitored. In some areas, new ideas and professionalism were discouraged. Marketing was archaic, and promotion largely determined by seniority.

Now, however: "Profit is the basis of our planning and the yardstick of our success."

Mr Whitlam outlines four key areas of change:

● Marketing: "Previously the bank waited for people to walk in and ask for money, then gave it to the best risks from amongst those applying. But times have changed."

● Planning: There is now a planning secretariat, which co-ordinates the planning process and provides the business units with new ideas. They can take up an idea, or drop it.

● *Improvement of* management information.

● Overhaul of the bank's organisational structure.

Mr Whitlam says the State Bank has undergone "massive change in a short period, and it has worked. To a large extent the impact of the change was greater in the State Bank than in the newly-merged (Australian) private banks. This is because in a merger, people expect a shake-up and a shake-out. In the State Bank, however, there was no such realisation, people were told that a change would occur but had no realisation of what it implied.

Visitors to Mr Whitlam's office sit on a sofa beneath a modern Australian painting of imperious Merino sheep, so that a sense of humour helps. He says that the qualities he brought to the bank include openness of style ("I try to run a democratic show"), and "being an achiever, which may relate to my family background."

"I want this to be the best-run bank in New South Wales. I want it to be an excellent *corporate bank. And I want a* highly professional money market business."

He listens to Verdi, Wagner, and rock 'n' roll, is something of a wine specialist and expects to be a banker or professional manager for the rest of his life (he took a drop in salary to go to the State Bank). Qantas might appeal, or a public sector oil company, but not mining or shipping. "A bit boring, frankly, people running mining companies always seem to have a clean desk"

Dunlop to be further strengthened says Pegi

By Wong Sulong in Kuala Lumpur

A STRONG hint that there will have to be further cost-cutting and slimming down at *Dunlop* Holdings has been given by Mr Ghafar Baba, the chairman of Pegi, the Malaysian investment group, which holds 26 per cent of Du[illegible].

He said that he and fellow Malaysian, Mr Eng Chin Ah, who also represents Pegi on the Dunlop board, would be submittting proposals to the next Dunlop board meeting at the end of October with a view to rationalising and strengthening the group's activities. He added that there was "an immediate need to put the company on a right footing."

Mr Ghafar, who is also a prominent politician of the ruling Malay party, expressed support for Dunlop's recent decision to sell off its European tyre operations to Sumitomo Rubber Industries of Japan, pointing out the deal would help cut Dunlop's loss-making businesses and reducing its huge loans.

He said Dunlop was already discussing the sale of the Sumitomo before he and Mr Eng joined the board in June. European tyre business to They subsequently participated in the discussions and concurred with the view that the operations should go.

He also pointed out that the Malaysian directors enjoyed a good working relationship with Sir Campbell Fraser, and Mr Alan Lord, Dunlop's chairman and managing director, and the question of Pegi joining other minority shareholders to oust Sir Campbell, *as suggested by several news*paper reports, did not arise.

Mr Ghafar ruled out the prospect of Pegi making a bid for Dunlop, shortly after the Sumitomo deal had gone through, although the group is keeping an "open mind" on the issue.

● FIRST-HALF 1983 pre-tax profits at Genting, the Malaysian casino, hotel, and plantation group, rose by 32 per cent to 64.6m ringgit (U.S.$27.7m) on turnover ahead by 8 per cent to 146m ringgit.

The strong profit growth came mainly from casino operations. Earnings from the plantation subsidiary, Asiatic Developments were down because of lower commodity prices, and the hotel and property division was also sluggish.

The property division, however, is expected to contribute substantially to group earnings in the second half following the recent offer for sale of two large blocks of luxurious condominiums in Genting Highlands,

Write-downs hit Far East Consortium

FAR EAST CONSORTIUM, the Chiu family's quoted real estate and investment vehicle, yesterday reported a group net loss after tax, minority interests, and extraordinary items of HK$269.42m (US$32m) for the year ended March 31, compared with a profit of HK$66.8m previously.

No final dividend is to be paid leaving the interim 2.5 cents to compare with a 10 cents total last year.

● Hongkong and Kowloon Wharf and Godown has reported a group net profit, after tax and extraordinary items, of HK$290.5m, against HK$226m previously in six months ended June 30.

An extraordinary profit of HK$123.6m helped boost earnings per share to 10.77 cents from 9.97 cents.

The interim dividend is 4.9 cents compared with 4.5 previously.

Reuter

Carbon clubs help Daiwa Seiko

BY YOKO SHIBATA IN TOKYO

DAIWA SEIKO, the world's largest manufacturer of fishing equipment, with four overseas plants including one in Scotland, continued its upward trend in sales and profits in the year to July, following a boost in sales by its sports goods sector.

Parent company pre-tax profits were Y2.54bn ($10.6m), up 7.4 per cent on sales of Y36.14bn, up 3.5 per cent. However, a higher corporate tax *burden accruing on a with*drawal of funds from currency fluctuation reserves left net profits down by 2.9 per cent to Y2.6bn. Net profits per share were Y21.26, compared with Y24.59.

Sales of fishing reels and rods declined by 0.2 per cent in the year to account for 53.9 per cent of the total, with exports hit by bad weather in the U.S. and heavy pressure at home from cheap imported products from Korea. However, sales of golfing goods centring on carbon clubs jumped by 40.8 per cent to account for 13.1 per cent. Until last year, imported golf equipment was one of few foreign products faring well in Japan.

However, the introduction of carbon golf clubs by Daiwa Seiko and Mizuno has hit the market for imported products. Imports of golf clubs declined by 14 per cent in the seven months to July and the Japanese makers expect exports *for the current full year to* increase by 30 per cent to 800,000 clubs.

Last autumn Daiwa Seiko purchased the largest U.S. ski-ing boots manufacturer Hunson and has started production in Japan to sell under the Hunson brand name. As a result, Daiwa's sales of ski-ing equipment rose by 15 per cent to account for 7 per cent of the total, despite the warm winter.

Sales in the tennis goods sector also jumped by 28.5 per cent to account for 4 per cent of turnover.

The company expects a higher contribution in the current year from its newly developed products and sales are forecast to rise by 7.9 per cent to Y39bn. Pre-tax profits are projected at Y2.73bn, up by 7.6 per cent and net profits at Y1.3bn, up by 6.6 per cent.

● DAI NIPPON Printing, Japan's largest printing company, lifted group net profits by 1.5 per cent to Y23.3bn ($94m) for the year to May on sales of Y623.9bn, up by 9.2 per cent. Full year net profits per share were Y38.66, compared with Y40.

Printing sales rose by 8.9 per cent to account for 89.4 per cent of the total with the rest coming from sales of precision electronics.

● Meiji Seika's share price in March of this year fell by Y18 to Y542. This corrects an error in yesterday's article on the Japanese drug industry.

Big loss for slimmed-down Hanimex

By Lachlan Drummond in Sydney

DRASTIC CORPORATE surgery has left Hanimex Corporation with a total attributable loss of A$13.8m (US$12.4m) for the year to June 30 compared with a A$2.4m deficit in 1981-1982. Sales were little changed at A$174m.

The loss includes A$2.4m of abnormal costs from writing off stock, bad debts, and dies and moulds, and a net A$5.5m of extraordinary charges for the closure of businesses. The tax charge was A$1.95m against A$1.19m because of the company's inability to take up future tax benefits.

Included in the businesses shut down are bicycle manufacture, the distribution of Scuba diving gear, facsimile machines, typewriters, and mini-computers leaving the company with camera import and distribution, photo laboratories, consumer electronics, and leisure products. It is to close its U.S. projector plant.

The move to trim peripheral or unprofitable operations at Hanimex *came after its* controlling shareholders, Burns, Philip and Co., asserted its control a year ago by stripping the board of its founding directors and installing its own top management.

The group has maintained its close trading links with Japan's Fuji Film Company and will concentrate more on the photographic equipment area, where it also has distribution operations in Europe.

The company says stock reduction programmes have freed A$11.5m over the year while property sales so far have realised A$1.5m.

To Holders of

Blocker Energy International N.V.

8¼% Convertible Subordinated Debentures Due 1995

J. Henry Schroder Bank & Trust Company, as Successor Indenture Trustee (the "Trustee") for the holders of Blocker Energy International N.V. (the "Company") 8¼% Convertible Subordinated Debentures Due 1995 (the "Debentureholders" and the "Debentures") is publishing this Notice of Default pursuant to Section 516 of the Indenture.

The Company has failed to make a payment of interest on the Debentures which was due July 1, 1983. Under Section 501 of the Indenture, this default has become an "Event of Default", as defined in the Indenture, by virtue of it having continued for thirty days from the date the payment was due.

Under Section 502 of the Indenture, "If an Event of Default occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in the principal amount of the Debentures Outstanding may declare the principal of all the Debentures to be due and payable immediately, by a notice in writing to the Company and the Guarantor (and to the Trustee if given by Holders), and upon any such declaration, such principal shall become immediately due and payable."

In addition, Section 503 of the Indenture provides in part:

"If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Debentures by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy."

Section 512 of the Indenture provides:

"The Holders of a majority in principal amount of the Outstanding Debentures shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(1) Such direction shall not be in conflict with any rule of law or with this Indenture:

(2) The Trustee may take any other action deemed proper by the Trustee which is not inconsistant with such direction; and

(3) Subject to the provisions of Section 601, the Trustee shall have the right to decline to follow any such action if the Trustee in good faith by its board of directors or executive committee or a trust committee of directors of trustees and/or responsible officers shall determine the actions or proceedings so directed would involve the Trustee in personal liability."

Section 601(c) (3) of the Indenture provides:

"(3) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of Outstanding Debentures relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, under this Indenture."

The obligations of the Company under Indenture are guaranteed by Blocker Energy Corporation (the "Guarantor"). The Trustee is continuing to review the information available to it concerning the Company's and the Guarantor's current circumstances so that it may determine whether it will, pursuant to Section 502 of the Indenture, declare the principal of all the Debentures to be due and payable immediately. The Trustee may consider other possible action pursuant to the provisions of the Indenture.

The Debentureholders are referred to the Indenture, copies of which are available for examination at the corporate trust office of the Trustee during normal business hours, for a more complete description of the rights of Debentureholders and their remedies subsequent to the occurrence of an Event of Default. For additional financial and other information about the Guarantor, Debentureholders are further referred to information on public record at the Securities and Exchange Commission, 500 North Capital Street, Washington, D.C. 20549.

This Notice is being published pursuant to Section 602 of the Indenture.

Inquiries concerning this Notice should be directed to Mr. George R. Sievers, First Vice President, J. Henry Schroder Bank & Trust Company, One State Street, New York, New York 10015, (212) 269-6500, or Joseph Chervin, Esq., c/o Rosenman Colin Freund Lewis & Cohen, 575 Madison Avenue, New York, New York 10022, (212) 940-8800, counsel for the Trustee.

J. HENRY SCHRODER BANK & TRUST COMPANY
as Indenture Trustee

New Issues

September 29, 1983

Federal Farm Credit Banks Consolidated Systemwide Bonds

9.45% $1,516,000,000
CUSIP NO. 313311 JT 0 DUE APRIL 2, 1984

9.625% $610,000,000
CUSIP NO. 313311 JZ 6 DUE JULY 2, 1984

Interest on above issues payable at maturity

Dated October 3, 1983 Price 100%

The Bonds are the secured joint and several obligations of The Thirty-seven Federal Farm Credit Banks and are issued under the authority of the Farm Credit Act of 1971. The Bonds are not Government obligations and are not guaranteed by the Government.

Bonds are Available in Book-Entry Form Only.

Federal Farm Credit Banks Funding Corporation

90 William Street, New York, N.Y. 10038

Peter J. Carney
President

This announcement appears as a matter of record only.

IRELAND

U.S. $50,000,000

Floating Rate Notes Due 1988

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from September 29, 1983 to March 29, 1984 the Notes will carry an Interest Rate of 10 1/16% per annum. The interest payable on the relevant interest payment date, March 29, 1984 against Coupon No. 6 will be U.S. $5,087.15 per Note.

Agent Bank:

Morgan Guaranty Trust Company

London

All of these securities having been sold, this announcement appears as a matter of record only.

1,000,000 Shares

The Stop & Shop Companies, Inc.

Common Stock

Lehman Brothers Kuhn Loeb
Incorporated

Bear, Stearns & Co. — The First Boston Corporation — A. G. Becker Paribas Incorporated

Alex. Brown & Sons — Dillon, Read & Co. Inc. — Donaldson, Lufkin & Jenrette Securities Corporation

Goldman, Sachs & Co. — Hambrecht & Quist Incorporated — E. F. Hutton & Company Inc.

Kidder, Peabody & Co. Incorporated — Lazard Frères & Co. — Merrill Lynch Capital Markets

Prudential-Bache Securities — L. F. Rothschild, Unterberg, Towbin — Salomon Brothers Inc

Shearson/American Express Inc. — Smith Barney, Harris Upham & Co. Incorporated

Wertheim & Co., Inc. — Dean Witter Reynolds Inc.

Rothschild Inc. — Arnhold and S. Bleichroeder, Inc.

September 19, 1983

ALLIED IRISH BANKS LIMITED
U.S.$30,000,000
Floating Rate Subordinated Notes due 1984

In accordance with terms and conditions of the Floating Rate Subordinated Notes due 1984, the Rate of Interest for the interest period from 30th September, 1983 to 30th March, 1984 has been fixed at 10⅞% per annum. The Coupon Amount of US$550.56 will be payable on 30th March, 1984 against surrender of Coupon No. 14.

29th September, 1983
Manufacturers Hanover Limited
Agent Bank

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V.

on 26th September, 1983, U.S. $83.04

Listed on the Amsterdam Stock Exchange

Information: Pierson, Heldring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam.

VONTOBEL EUROBONDINDIZES

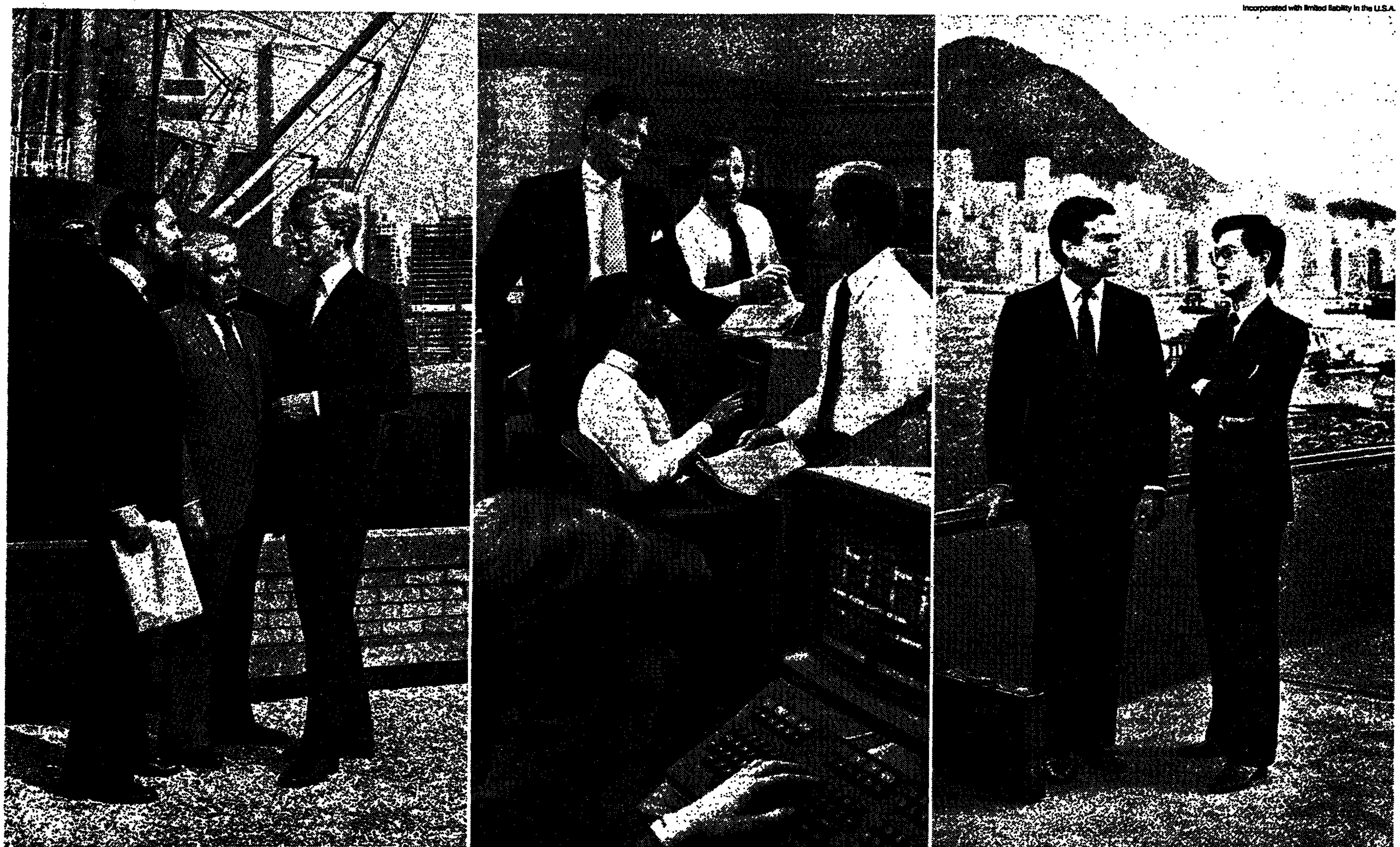
WEIGHTED AVERAGE YIELDS
PER SEPTEMBER 27 1983

	Today	INDEX Last week	% Year's High	Year's Low
US$ Eurobonds	11.65	11.96	12.54	11.23
DM (Foreign Bond Issues)	7.59	7.64	7.76	7.23
HFL (Bearer Notes)	8.16	8.26	8.97	7.63
Can$ Eurobonds	13.32	13.33	13.56	12.62

J. Vontobel & Co. Bankers, Zurich - Tel: 010 411 488 7111

What large companies and banks should know about Morgan's international trade services

Incorporated with limited liability in the U.S.A.



At left, Morgan banker Richard Johnson in New York with two of the bank's international trade services officers, Alfred Koebel and Alexander Kennedy. Center, at one of the automated data units serving trade clients are Atwood Collins, who heads trade services, Maureen Barrett, Robert Springett, and Lowell Knauer. Right, two officers of Morgan's Hong Kong office. David Morris heads general banking; Kenneth Sit's responsibilities include trade services.

For more than 100 years major companies and banks have come to Morgan for superior trade services—documentary and standby letters of credit, bankers acceptances, collections, and reimbursements.

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Every time you bring Morgan a trade transaction you work with the same small team. Every phase of your transaction—from start to finish—is handled by members of the team. You know them by name, and they know you. This close, continuous communication helps us develop a deeper understanding of your needs, your way of doing international business.

And because each New York team concentrates on a separate geographic area it knows all the trade rules and requirements in its area. The result: we anticipate and prevent problems, expedite your transactions, ensure complete accuracy.

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- ☐ What are the restrictions on using bankers acceptances prior to shipment of goods?
- ☐ When is it to my advantage to have time draft credit terms in a letter of credit instead of deferred payment?
- ☐ Which protects me better as an exporter—a transferable credit or an assignment of proceeds?

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Providing conditions for innovation

BY ANDREW ARENDS

FINANCIAL TIMES
World Financial Futures
CONFERENCE

THE growth in financial futures is accelerating the "globalisation" of financial markets. Mr Thomas Strauss, managing director of Salomon, said yesterday.

He was speaking on the opening day of a conference on World Financial Futures organised by The Financial Times, Investors Chronicle and The Banker.

Mr Strauss went on to state that the growth of financial futures had provided a positive environment for financial innovation, enabling options markets to develop, as well as providing substantial benefits to the U.S. Treasury as an issuer of securities enhancing both the T-Bill and Treasury Bond markets.

Sharing Mr Strauss's assessment about the utility of financial futures was Mr Leo Melamed, special counsel to the board of the Chicago Mercantile Exchange. Mr Melamed also said that as the 1970s had witnessed the emergence of financial futures so the 1980s would be the decade for stock market index futures and options. He commented that when he started out as a "runner" on the Chicago Mercantile Exchange the traders would speak wistfully of the "ultimate contract"—index futures.

He stressed the problems of educating government bureaucrats into accepting stock market futures as a vital instrument for risk avoidance. Last year had seen three such stock index contracts—on the CME, on the NY Futures Exchange *and in Kansas City.*

A new era in futures markets had been born he claimed, and investment managers would now have to use index futures and options in conjunction with their stock market operations as a move that would catapult futures far beyond what had early been thought possible.

Commenting on the first year of the London International Financial Futures Exchange (Liffe), Mr Michael Jenkins, the chief executive, said that one of the front runners for new futures contracts on Liffe was a stock market index, and that there would be an announcement about this possibility next month.

Overall the first year of Liffe had been encouraging, said Mr Jenkins. The exchange had performed better than the pessimists had predicted and was demonstrating scope for steady growth. Liffe had shown a willingness to experiment to fit in with traders' needs, and the exchange was helping the process of educating the financial community in the use of financial futures. Mr Jenkins said that he hoped that contract volume by the end of the year would be in the order of 10,000 contracts a day.

Dr Ian Richards, the financial futures manager of the Commodity and Finance Company, agreed with Mr Jenkins's appraisal of Liffe's first year, though he raised doubts over the future of exchange rates contracts. Mr Richards made a plea for the Bank of England to help in this area by "pushing" the clearing banks on to the Liffe floor to make a continuous market in currencies *—creating a pool of liquidity* in order to sustain this flagging market. This move, he said, would benefit the banks in the long run, by increasing the market volume and by the development of peripheral interests associated with growth of the market.

He also felt the Bank of England could use the futures market as a source of funding. Some official participation in the futures market was, he argued, inevitable within the next few years.

Discussing the uses of Financial Futures world wide, Dr Desmond Fitzgerald, of the City University Business School, outlined broadly the availability of different contracts in the futures markets and their success in volume terms. He commented on the difficulties in creating medium-term bonds futures as compared with the long- and short-term markets. Comparing Liffe with the Chicago markets, Dr Fitzgerald stated that the Liffe gilt-edged stock futures contract was the most likely to achieve the levels of volume associated with Chicago.

Continuing the transatlantic comparison, Mr Jonathan Weal, London Manager of Cargill Investor Services, said that the main difference between the Chicago International Monetary Market and the London Eurodollar cotract is that the settlement prices differ. Beyond this difference, he stated that there was a "greater percentage of banking participants in London than Chicago." But that the main difference was that "we have two exchanges providing traders with different opportunities in the same market reaching different groups of people."

Mr Nicholas Giordano, President of the Philidelphia Stock Exchange spoke of the opportunities open to traders in Foreign Currency Options in the changing world of international finance.

While Dr Kurt Andreas, head of the credit department of the Deutsche Bundesbank, offered a central banker's view of financial innovation in the Capital Markets.

The chairman, Mr Jock Bruce Gardyne, the former Economic Secretary to the Treasury, went beyond his introductory remarks and said he regretted that the government did not find time to legislate this summer to open Liffe to the UK Pension Funds.

He hoped the requisite amendment would be included in the next Finance Bill and called on the pension funds to lobby the *government* to bring forward the date for the opening of the exchange to pension funds.

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

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Over-the-Counter Market

1982-83 High	1982-83 Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord. ...	132	—	6.4	4.8	7.7	10.1
158	117	Ass. Brit. Ind. CULS. ...	140	—	10.0	7.2	—	—
74	57	*Airsprung Group*	73	+1	6.1	8.4	20.9	20.9
46	21	Armitage & Rhodes ...	22	—	—	—	—	—
240	98½	Bardon Hill	240	—	7.2	3.0	9.8	19.9
151	100	CCL 11pc Conv. *Pref* ...	140	—	15.7	11.2	—	—
270	185	Cindico Group	186	−1	17.6	9.5	—	—
86	45	Deborah Services	54xd	—	6.0	11.1	—	—
138	77	Frank Horsell	138	+2	—	—	5.8	9.5
132	75½	Frank Horsell *Pr Ord 87*	132	+2	8.7	6.6	6.5	9.1
83	54	Frederick Parker	54	—	7.1	13.1	3.4	5.4
55	32	George *Blair*	32	—	—	—	5.5	11.6
100	62	Ind. Precision Castings	62	−1	7.3	11.8	17.2	21.4
200	100	*Isis* Conv. Pref.	200	—	15.7	7.9	—	—
114	47	Jackson Group	106	−1	4.5	4.2	5.5	10.9
237	111	James Burrough	212	—	11.4	5.4	11.7	12.0
280	137	Robert Jenkins	138	—	20.0	14.5	16.0	10.8
83	54	Scruttons "A"	68	—	5.7	8.4	11.3	8.2
167	108	Torday & Carlisle	108	−2	2.9	2.7	—	—
29	21	Unilock Holdings	23	—	1.0	4.3	15.0	21.9
90	64	Walter Alexander	90	—	6.8	7.6	7.9	10.5
276	214	W. S. Yeates	265	—	17.1	6.5	4.1	8.5

Licensed Dealer in Securities.

Public Works Loan Board rates

Effective September 28

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Up to 3	10¾	10½	10¾	11¾	11¾	11⅞
Over 3, up to 4	10¾	10¾	11	11¾	11¾	11⅞
Over 4, up to 5......	10⅞	10⅞	11⅛	11¾	11¾	11⅞
Over 5, up to 6......	10⅞	10⅞	11¼	11⅞	11⅞	11⅞
Over 6, up to 7......	10⅞	11	11⅜	11⅞	11⅞	11⅞
Over 7, up to 8......	11	11⅛	11⅜	11⅞	11⅞	11⅞
Over 8, up to 9......	11⅛	11⅛	11⅜	11⅞	11⅞	11⅞
Over 9, up to 10 ...	11⅛	11⅛	11¼	11⅞	11⅞	11⅝
Over 10, up to 15...	11⅛	11⅛	10⅞	11⅞	11⅝	11¼
Over 15, up to 25...	10⅞	10⅞	10½	11⅝	11¼	11
Over 25	10¾	10⅝	10⅜	11	10⅞	10⅝

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

All of these securities having been sold, this announcement appears as a matter of record only.

New Issue / September, 1983

ESMARK

4,500,000 Shares

Esmark, Inc.

Common Stock
($1.00 par value)

Salomon Brothers Inc

A. G. Becker Paribas Incorporated

Oppenheimer & Co., Inc.

Goldman, Sachs & Co. — The First Boston Corporation — Bear, Stearns & Co.
Blyth Eastman Paine Webber Incorporated — Alex. Brown & Sons — Dillon, Read & Co. Inc.
Donaldson, Lufkin & Jenrette Securities Corporation — Drexel Burnham Lambert Incorporated — Hambrecht & Quist Incorporated
E. F. Hutton & Company Inc. — Kidder, Peabody & Co. Incorporated — Lazard Frères & Co.
Lehman Brothers Kuhn Loeb Incorporated — Merrill Lynch Capital Markets — Prudential-Bache Securities
L. F. Rothschild, Unterberg, Towbin — Shearson/American Express Inc.
Smith Barney, Harris Upham & Co. Incorporated — Wertheim & Co., Inc. — Dean Witter Reynolds Inc.
A. G. Edwards & Sons, Inc. — Montgomery Securities
Robertson, Colman & Stephens — Thomson McKinnon Securities Inc.
ABD Securities Corporation — Atlantic Capital Corporation — Basle Securities Corporation
Daiwa Securities America Inc. — EuroPartners Securities Corporation — Robert Fleming Incorporated
Kleinwort, Benson Incorporated — The Nikko Securities Co. International, Inc. — Nomura Securities International, Inc.
Rothschild Inc. — Sogen Securities Corporation
Yamaichi International (America), Inc. — Rowe & Pitman, Inc.

All of these Securities have been sold. This announcement appears as a matter of record only.

3,000,000 Shares

Stratus Computer, Inc.

Common Stock

MORGAN STANLEY & CO. Incorporated

ALEX. BROWN & SONS

HAMBRECHT & QUIST Incorporated

BEAR, STEARNS & CO. — THE FIRST BOSTON CORPORATION — A. G. BECKER PARIBAS Incorporated
BLYTH EASTMAN PAINE WEBBER Incorporated — *DILLON, READ & CO. INC.*
DONALDSON, LUFKIN & JENRETTE Securities Corporation — *DREXEL BURNHAM LAMBERT* Incorporated — *GOLDMAN, SACHS & CO.*
E. F. HUTTON & COMPANY INC. — KIDDER, PEABODY & CO. Incorporated — *LAZARD FRERES & CO.*
MERRILL LYNCH CAPITAL MARKETS — PRUDENTIAL-BACHE Securities
ROBERTSON, COLMAN & STEPHENS — L. F. ROTHSCHILD, UNTERBERG, TOWBIN
SALOMON BROTHERS INC — SHEARSON/AMERICAN EXPRESS INC.
SMITH BARNEY, HARRIS UPHAM & CO. Incorporated — *WERTHEIM & CO., INC. — DEAN WITTER REYNOLDS INC.*
ABD SECURITIES CORPORATION — ATLANTIC CAPITAL Corporation — *BASLE SECURITIES CORPORATION*
CAZENOVE INC. — DAIWA SECURITIES AMERICA INC.
EUROPARTNERS SECURITIES CORPORATION — ROBERT FLEMING Incorporated — *KLEINWORT, BENSON* Incorporated
THE NIKKO SECURITIES CO. International, Inc. — *NOMURA SECURITIES INTERNATIONAL, INC. — ROTHSCHILD INC.*
SOGEN SECURITIES CORPORATION — YAMAICHI INTERNATIONAL (AMERICA), INC.

ALGEMENE BANK NEDERLAND N.V. — BANQUE DE NEUFLIZE, SCHLUMBERGER, MALLET
BARING BROTHERS & CO., Limited — *COMPAGNIE DE BANQUE ET D'INVESTISSEMENTS, CBI*
CREDIT COMMERCIAL DE FRANCE — GRIEVESON, GRANT AND CO. — HILL SAMUEL & CO. Limited
MORGAN GRENFELL & CO. Limited — *SAL. OPPENHEIM JR. & CIE. — PICTET INTERNATIONAL* Limited
J. HENRY SCHRODER WAGG & CO. Limited — *S.G. WARBURG & CO. LTD.*

September 7, 1983

UK COMPANY NEWS

Mills & Allen jumps 51% to record £19m

FOLLOWING AN £8m surge in profits from its money and securities broking side, **Mills & Allen International**, the financial services and media group, raised pre-tax figures by 51 per cent to a record £19.07m in the year ended June 30 1983, against £12.65m previously. At halfway, profits were ahead £2.36m at £8.58m.

As forecast at the interim stage—when a rights issue to raise £18.3m, net of expenses, was also announced—a final dividend of 9p is recommended making a total of 13p net per 25p share. This compares with 11p in 1981-82 after adjusting for last year's subdivision of shares. Earnings per share increased by 16 per cent to 32.6p (28p).

Sir Ian Morrow, the chairman, says the current year has started well with activity in the money and securities broking companies picking up from the traditionally low, midsummer levels and encouraged by recent currency and interest rate movements.

Although there are no signs of an upturn in the Far Eastern media companies, the rise in demand for outdoor and screen advertising in the UK and Belgium seen in the final quarter has continued into the current year. Orders, however, remain short term.

Profits arising overseas were 45 per cent of the total in 1982-83, compared with 33 per cent before, while the contribution from the financial services division increased from 41 per cent to 69 per cent of group profits.

A breakdown by activity of the year's pre-tax profits shows: financial services—money and securities broking £13.09m (£5m) and insurance broking £541,000 (£8,000); media—advertising contracting £4.49m (£6.37m) and media services £1.52m (£828,000).

A geographical split of profits was: UK £10.75m (£8.22m); North America £5.41m (£1.06m); Europe and the Middle East £2.33m (£1.6m); and the Far East and Australia £1.15m (£1.33m).

Turnover rose sharply from £67.18m to £112.06m. Profits included share of associates' profits of £580,000 (£1.13m), while net interest payments accounted for £562,000 (£438,000 received). After tax of £7.42m (£4.97m) and minorities, attributable profits were up from £7.55m to £11.46m.

Poor drilling results and the low level of demand for gas necessitated a reduction in the carrying value of the investment in U.S. oil and gas exploration by an extraordinary write-off of £1.23m, after tax. Last year there was an extraordinary credit of £1.44m. Dividends absorb £4.87m (£3.33m), leaving a retained balance of £5.36m (£5.66m).

The chairman says the financial services division has grown both as a result of acquisition and organic development, as increased market share and operating efficiencies in the London and North American money broking companies more than offset the lower volume caused by the problems in the international banking community. The results of the division include a full-year contribution from Guy Butler, Butler Till and Garvin Guy Butler and a two-month contribution from Garban.

Paul Bradford, formed by the amalgamation of three Lloyd's insurance brokers, performed well in its first year. It is now established as a profitable company with a sound base for growth.

The acquisition of Andrew & Booth, a chain of 53 (now increased to 90) shops retailing motor insurance was the first step in a plan to establish a retail distribution network for personal financial services.

In advertising contracting, Mills & Allen suffered from steep site rental increases and lower than expected sales, as the confusion left in the wake of the closure of British Posters led to an overall decrease in the proportion of advertising expenditure devoted to outdoor advertising.

Elsewhere in the media division profits were slightly lower as falling cinema attendances hit screen advertising and as Belgium and Malaysia felt the adverse impact of the recession on advertising spending. Pearl & Dean Australia achieved a notable turnaround into profit and Shepperton Studios and Mediamark Research both showed further useful advances.

Hambros Investment Trust now holds 2.2m ordinary shares in the company.

See Lex

UK upturn boosts DRG by 80% to £9.5m

PACKAGING and manufactured stationery businesses in the UK, plus lower interest charges, helped boost interim pre-tax profits at **DRG** by 80 per cent from previous depressed levels. For the period to July 2 the taxable surplus increased from £5.4m to £9.5m.

Turnover was down from £285.3m to £267.8m.

Mr John S. Camm, chairman, repeats his view, expressed at the annual meeting in May, that 1983 is a year for consolidation and progress towards an acceptable return on investment.

The net interim dividend is held at 3p—in the last full year a final of 3p was also paid. Earnings per 25p share are shown to be up from 1.3p to up from 1.3p to 7.9p.

Group pre-tax profits for the whole of 1982 were £12.5m, having fallen from £27.7m in 1979.

Trading profits rose from £10.8m to £13.1m. Interest charges were reduced from £5.8m to £3.9m. At the annual meeting Mr Camm had predicted that financing costs would be lower because of the sale of interests in South Africa.

Mr Camm now points out that positive cash flow was also achieved from current business—the increase in funds during the period was £31.5m (decrease £12.6m). The ratio of debt to shareholders' funds has improved from 86 per cent to 50 per cent.

During the period, UK packaging faced keen price competition although demand was better in some product groups. Manufactured stationery businesses have undergone radical reshaping in the last two years—benefits are now emerging although there was only marginal improvement in demand.

Despite the sale of South African packaging and stationery interests, the group still has significant busineses overseas. Given difficult economic conditions, Mr Camm describes the shortfall in overseas trading profits from £4m to £3.7m as "not disappointing."

● comment

On Tuesday **DRG**'s shares gained 4p to a four year high of 117p. But in the event, the interim figures were a bit too good for profit taking, and the price added another penny. Although the statement is cautious about market conditions, it should be noted, on a like for like basis, sales increased by 8 per cent, virtually on volume. DRG's four-year rationalisation—in which the work force has been reduced by 40 per cent—is finally impacting favourably at the bottom line. So the interim payout, which was uncovered in 1982, is now over two and a half times covered. Thanks largely to the S. African disposal, capital gearing has come down from the year end figure of 86 per cent, to about 50 per cent. With reduced overseas earnings, and some UK tax shelter to work off, the tax charge has come down to 27 per cent, a figure that should be repeated for the year as a whole, in which DRG could turn in at least £20m pre-tax. That puts the shares on an actual p/e of 6.6, though an attraction remains a prospective yield of around 7½ per cent.

Aurora makes £0.7m halfway

BY IAN RODGER

Aurora, the general and precision engineering group, has returned to profitability in the first half of 1983, following the closing of its loss-making special steel business and a £19m capital reconstruction.

Pre-tax profits were £728,000, compared with a pre-tax loss of £3.85m in the whole of 1982 and a total loss for the year of £17.7m.

Under the direction of Sir Robert Atkinson, the chairman, Aurora made a major deversification into special steels in the late 1970s, acquiring Osborn Steels for £11.8m and Edgar Allen Balfour for £13.8m. However, the steel division fell into loss in 1980 and suffered massive deficits in 1981 to 1982 as demand fell and foreign competition strengthened. After a number of rationalisation moves, the group decided to abandon special steel making last February.

Sir Robert was unrepentent about the venture. "Aurora tried very hard to do a very big thing. The Government supported us, but then in 1979 the Conservative Government came in with its tremendously strong monetary policy and decimated British industry by a fifth."

"The Bank of England tried to get the special steels industry to work together, but it wasn't able to. In the end, it was a questaion of survival."

In the interim statement, Sir Robert said that nearly all the group's remaining subsidiaries were soundly based and profitable. The results were encouragang and justified confidence that Aurora was steadily restoring its position.

The first half trading results of the remaining UK subsidiaries—in general engineering, fasteners and tools—were at much the same level as in the first half of 1982, on slightly lower sales.

The Australian subsidiaries improved in the second quarter after being down in the first.

Turnover in the first half was £44.9m, trading profits were £2.49m and interest charges amounted to £1.77m. After share of profits of associated companies of £9,000, pre-tax profits were £728,000. Following tax of £109,000, a nextraordinary gain of £1.9m on the sale of the Openshaw steelworks, and currency losses of £326,000, final prifit was £2.3m or 22.03p per share undiluted and 0.67p diluted.

Figures for the first half of last year are not comparable because of the inclusion of the steel business, but the capital reconstruction document suggests that pre-tax profits in the continuing businesses in the whole of last year, assuming the resulting lower interest charges, might have been £4.9m.

In accordance with the reconstruction provisions, no preference dividends will be payable until the results for the whole of 1983 are published.

Sir Robert said he would retire as chairman at the end of the year and would be succeeded by Sir John Hill. Mr W. D. Morton, formerly a director of the General Electric Company, is to become managing director on October 3.

See Lex

Central TV £1.8m in profit at midway

AFTER A £1.63m rise to £7.93m in Channel Four subscription, **Central Independent Television** made a profit, before tax and Exchequer levy, of £1.84m for the first half of 1983. This compares with a £1.31m loss for the same period last year which also included pre-operational expenses of £965,000.

There was a £16,000 debit this time for Exchequer levy, against a credit of £1.76m before, resulting in pre-tax profits up from £448,000 to £1.83m.

The directors caution however, that the incidence of advertising revenue is not uniform throughout the year and therefore the first half result is not an indication of the full-year outcome. In 1982, the company made a profit of £4.17m, before deducting £665,000 Exchequer levy.

Referring to the company's prospectus forecast of profits before tax and levy of just over £3m for the year, Mr Bob Phillis, the managing director, says the board is confident that this figure "will be achieved and bettered."

Net income for the first six months climbed from £49.92m to £57.85m, of which all but some £2m was advertising revenue. The company had around £1m of programme sales to regional ITV companies and another £1m in miscellaneous revenue, including a minimal amount of overseas sales.

No dividend is proposed for the first six months. Earlier this month, at the time of the introduction of the company's non-voting shares to the Unlisted Securities Market, the directors said they expected that a first dividend would be proposed in May 1984.

Half-time earnings per 50p share advanced from 0.2p to 3.3p. The tax charge increased from £395,000 to £993,000 leaving the net balance at £835,000, compared with £53,000.

The company is the independent television contractor for the East and West Midlands.

● comment

Central is giving nothing away but progress to date suggests that the prospectus forecast of £3.5m pre-tax will be topped by a substantial margin—probably by up to £2m. While this gross under-estimate may be explained by managerial conservatism (and a consequent softly-softly approach to the USM), it also reflects continuing strong demand for air-wave time. First-half advertising revenue was 13 per cent higher and industry analysts confirm the company's outlook for more of the same. An added fillip for the second half will be the income from the sale of the Kennedy TV series to the NBC network amounting to "several million dollars." In the short term the only cloud on the horizon is the failure to get agreement with Equity over payments for Channel Four advertisements; Central fears that this has killed for ever the initial enthusiasm that advertisers had for the new channel. More importantly, although the percentage of revenue from the sale of Channel Four airtime is relatively small, post-levy income from this source goes straight to the bottom line. On £5.3m pre-tax, the fully-taxed p/e, at 168p, is over 16.

Cecil Gee sees 'satisfactory improvement'

Cecil Gee reports pre-tax profits up from £64,000 to £204,000 for the 28 weeks to July 9 1983 and the directors forecast a "satisfactory improvement" in full-year results. The 1982 profit was £867,000.

Some 55 per cent of group turnover arises in the second half while operating expenses are incurred evenly throughout the year, the directors point out. In 1982 almost all the whole year's profits were earned in the second half and they are confident of a similar performance in the current year.

Turnover expanded from £5.25m to £6.74m for the first half. Since the date of the prospectus, issued when this men's clothing retailer came to the USM in June, further premises have been bought which will expand the selling area by 20 per cent. This may not yield extra profits in 1983, but future benefits will be "significant."

Pre-tax profits included exchange gains of £47,000 (£72,000). Tax amounted to £85,000 (£24,000) after which stated earnings per 10p share amounted to 1.4p against 0.5p.

Emess Lighting meets forecast with £401,000

In line with the forecast of not less than £380,000, made in June at the time of the rights issue, pre-tax profits of **Emess Lighting** rose from £336,000 to £401,000 for the 12 months ended June 30 1983. Turnover increased by £1.2m to £4.37m.

The company—which sells its own and imported decorative lighting fittings—has changed its year end to December 31. Accordingly, the 1982-83 figures will cover the 18 months ending December 31, 1983. Emess expects to continue its progress during the remainder of 1983.

As forecast, there is a second interim dividend of 5p making 8.25p (7.5p) net for the 12 months.

Yearly earnings per 25p share improved from 20.45p to 25.47p. Tax took £49,000 (£59,000) and last time there was also an extraordinary debit of £22,000.

During the period the company has commenced trading in the table lamp and lampshade sector, which comprises about 40 per cent of all domestic lighting sales. Emess anticipates a profitable contribution from this sector in the remainder of 1983.

Associated Book up but growth slowing

THE RAPID growth in profits achieved by **Associated Book Publishers** in recent years has, as anticipated, begun to slacken.

However progress at the interim stage, with taxable profits up from £1.46m to £1.58m for the six months to June 30 1983, is in accordance with expectations, and the directors are confident of a further advance in the year's outcome.

The company's business, publishing and bookselling, is essentially seasonal with most of the year's profit earned in the second half.

For 1982 profits totalled £5.62m with £4.16m attributable to the second six months.

The opening half of the current year saw turnover expand from £21.83m to £23.79m, and trading profits from £1.4m to £1.53m. When measured in local currencies turnover rose by 4 per cent, with real growth coming from expansion in UK/U.S. publishing, and UK retailing activities.

Trading profits for the first half were struck after charging £331,000, arising from an accelerated programme to convert UK law publishing texts to machine readable form. The directors say that this is now well on the way to completion and costs will be much reduced in the second half.

Earnings per share for the opening period amounted to 3.8p against 3.5p and the interim dividend is lifted from 2p to 2.75p net per 20p share.

Contributions from Canada increased from £1.04m to £1.23m thanks to favourable exchange rates, and the U.S. deficit was cut to £0.03m against £0.2m with a 50 per cent increase in sales. Divisional contributions in Australia slipped by 9 per cent during the period.

Group attributable profits emerged at £426,000 compared with £391,000, after tax of £862,000 (£805,000) and minorities of £287,000 (£262,000).

● comment

The bunching of costs in the move towards computerised storage of law texts has made a £0.33m dent in **Associated Book**s interim progress but even so £6½m pre-tax looks possible for the year. ABP is running with an underlying growth rate of around 17 per cent. There is no reason to suppose that will alter much in the current six months though the heavier exposure to general book publishing in the UK produces a considerable seasonal swing and, of course, a higher degree of vulnerability to the wider trends in book sales. That said with 70 to 80 per cent of the profits based in law publishing the company enjoys a solid, if unexciting, foundation. The only real black spot is Canadian printing where interim losses were C$200,000. That well rooted nettle must be grasped sooner or later. The shares have had a very good run this year but even so at 285p the fully taxed p/e is still no more than 10¼. The yield is 3.6 per cent. With a loyal family holding of 39 per cent of the equity bid speculation is for academic debate alone unless Mr Maxwell knows something the board doesn't.

Riley Leisure £0.91m ahead after six months

SHARPLY IMPROVED results by its snooker clubs and its entry into the keep-fit market enabled **Riley Leisure** to raise its interim pre-tax profits by £916,000 to £1.43m.

And with the inclusion of a full contribution from Leisure Industries, acquired earlier this year, the directors, headed by Mr Alan Deal, the chairman, say they look forward to a "most satisfactory" outcome to the year—for the 17 months to end-December 1982 group pre-tax profits totalled £1.42m.

Meanwhile, the interim dividend is being lifted from 1.5p to 2p net per 10p share. Dividends totalling 5.6p were paid for the preceding 17 months.

Turnover for the first six months, to end-June 1983, amounted to £8.35m, compared with £5.28m which covered the half year to end-July 1982.

A divisional breakdown of the pre-tax results shows: snooker—manufacture and service £132,000 (£228,000) and clubs £750,000 (£394,000), keep-fit £646,000 (nil), furniture £3,000 £39,000 loss) and games £54,000 loss (£25,000 loss).

The result was after deducting associates' losses of £50,000 (£46,000) and interest charges of £122,000 (£108,000). Figures of Leisure Industries were included from June 1 1983.

Earnings emerged at 6.4p (2.9p) and at 5.5p (2.9p) diluted after tax of £671,000 (£254,000) and minorities of £3,000 (nil).

Mr Deal says the companies are still very much in a transitional stage in group development and the full potential from the group's recent expansion is not expected until 1984.

Sales in the snooker manufacturing division improved but a substantial increase in competition led to some price cutting and erosion of profit margins. However, order books are very high and prospects for the second half year are good.

The directors are continuing to examine possibilities for the further expansion of Riley Leisure through acquisition.

● comment

Riley has been hard on the acquisition trail for the past year, so a more than doubling in pre-tax profits is not an entirely accurate gauge of underlying growth. However, a 90 per cent increase in the clubs' profit contribution—including the Lucania chain—indicates that Riley's most important market still has plenty of steam in it, at least for the time being. A setback to both margins and profits in the manufacturing division is not such good news. Orders have since improved, but this could easily have been the first flicker of a loss of impetus in the snooker market as a whole. So it is all the better to see fitness equipment contributing to 45 per cent of profits. Nevertheless, the group still has it in mind to quadruple its present number of snooker clubs to around 200 within a few years. A seasonal upturn in demand for Leisure Industry's toy snooker tables and an expansion of Powersport's products should see a full year out-turn of around £3.5m. At yesterday's price of 191p, down 4p, that implies a prospective p/e of 13, assuming a 38 per cent tax charge.

James Neill profits midway

First-half 1983 pre-tax profits of £109,000 against £137,000, have been produced by **James Neill Holdings**. This represents a £0.82m turnround on the £0.71m deficit incurred in the preceding six months.

First-half turnover expanded from £22.39m to £24.22m although trading profits declined to £587,000, against £1.08m.

The decline was attributable to a lower UK contribution of £644,000 (£902,000) and a £57,000 loss overseas compared with a £175,000 profit.

The taxable result was struck after lower interest charges of £478,000 (£876,000, and an exceptional debit of £64,000).

A special distribution of 1p net per 25p share is declared arising from the £508,000 profit attained from the sale of the company's holding in Charles Baynes. There were no dividend payments in respect of 1982.

Looking at prospects for the second half, of this tool manufacturer and general engineer, Mr J. H. Neill, chairman, says that demand in its domestic market is steady and at a slightly higher level.

First-half tax took £111,000 (£77,000) but after including an extraordinary credit of £508,000 (nil) the attributable surplus was £0.5m, against £54,000.

CENTRAL

Unaudited Results of Central Independent Television PLC for the six months ended 30th June 1983

	Six months ended 30th June 1983 £'000	1982 £'000	Year ended 31st December 1982 £'000
Net Income	57,851	49,918	109,314
Group Profit/(Loss) before Exchequer levy	1,844	(1,312)	4,174
Exchequer levy	(16)	1,760	(665)
Profit after Exchequer levy	1,828	448	3,509
Taxation	(993)	(395)	(2,338)
Profit after Taxation	835	53	1,171
Extraordinary Charges after taxation	—	—	(1,856)
Profit/(Loss) attributable to shareholders	835	53	(685)
Earnings per share before extraordinary charges	3.3p	0.2p	4.7p

Notes:

1. The incidence of advertising revenue is not uniform throughout the year and therefore the result for the first six months is not an indication of the final outcome for the full year.

2. No dividend is proposed. As stated earlier this month at the time of the introduction of the non-voting shares to the Unlisted Securities Market, the directors expect that a first dividend will be proposed in May, 1984.

3. The Group profit before Exchequer Levy for the six months to 30 June 1982 includes pre-operational expenses amounting to £965,000 and the cost of Channel Four subscription of £6,300,000. The cost of Channel Four subscription for the six months to 30 June 1983 amounted to £7,932,000.

4. The figures for the year ended 31 December 1982 have been extracted from the full accounts on which the auditors have issued an unqualified report and which have been filed with the Registrar of Companies.

Improved tea prices boost Eastern Produce by £2.2m

SUBSTANTIALLY HIGHER tea prices are largely attributable to **Eastern Produce (Holdings)** improving its pre-tax profits from £1.16m to £3.36m in the six months to June 30, 1983. The interim dividend is raised from 1.4p to 1.5p net—last year's total was 4.9p from pre-tax profits of £4.43m.

Turnover of the group, which produces tea, rubber, copra and cocoa, and which has interest in investment and engineering, rose from £17.68m to £20.21m. Operating profits were higher at £2.79m compared with £1.43m, and share of profits of associated companies rose from £550,000 to £1.24m.

Interest charges, less investment income, were £676,000 against £821,000. Tax took £1.87m (£990,000) and of this amount, the foreign content was £1.68m (£838,000). After minorities of £126,000 (£38,000) and extraordinary credits of £15,000 (£185,000), attributable profits were over £1m higher at £1.38m (£313,000).

Stated earnings per 50p share climbed from 1.22p to 12.98p on a net basis, and from 1.7p to 13.13p on a nil basis.

● comment

Eastern Produce's nearly tripled pre-tax profits are almost entirely due to a leap in London tea prices of around 80 per cent over the comparable period. This has left the company's own price comfortably floating within pennies of a 10-year high at 143p, down 4p, where EP is capitalised at £15m. Meanwhile, April's issue of loan stock has taken a hefty chunk out of short-term borrowings which are now around £5m, or 50 per cent of shareholders' funds. The group's rubber plantations in Papua New Guinea are breaking even after having turned in huge losses, thanks to price improvements and a devaluation of the local currency. Unochrome engineering is well in the black, but the insurance broking activities have suffered from a decline in commission income. The shares stand on a historic yield of 5 per cent.

Ramar Textiles

As anticipated, reasonable levels of profitability were maintained by **Ramar Textiles** through the second six months which helped the group increase its pre-tax profits by £192,492 to £502,614 for the full year to May 27 1983 — profits were £148,000 ahead at midyear to £252,000.

Earnings per 5p share emerged at 3.52p (2.14p) basic and at 2.75p (1.68p) fully diluted, and the dividend for the year is being stepped up from 0.625p to 1p net.

I D C Group lower

Although pre-tax profits at **IDC Group** fell from £511,124 to £480,148 in the half-year to April 30 1983, the interim dividend has been raised from 1.464p to 1.61p—last year's final was 4.658p net from pre-tax profits of £1.1m.

Stated earnings per 20p share were lower at 6.8p compared with 7.5p.

The directors say the current year's results will be similar to last year's, but orders are healthy and 1984 should show a material improvement in profits. They say liquidity remains strong.

NEI Earnings

Earnings per share of **Northern Engineering Industries** amounted to 5.53p for the first half of 1983. Due to an agency error these were given as 3.53p in yesterday's report.

Tilbury Group advances

FOR THE opening half of 1983 the **Tilbury Group** pushed its pre-tax profits up to £1.36m, a 42.3 per cent improvement over the £955,000 reported for the same period last year.

The group has also made a good start in the second half of the year, particularly in the roadstone, construction, mechanical services and residential property divisions.

However, in his interim report Mr Patrick Edge-Partington, the chairman, points out that the improvement in work load available to the construction industry, as shown by a higher level of inquiries earlier in the year, is not being sustained largely because of underspending and expenditure cuts in the public sector.

First-half earnings moved ahead from an adjusted 4.8p to 5.29p per 25p share and the net interim dividend is effectively lifted by 0.1p to 1.3p.

Turnover for the period edged up from £22.02m to £22.99m.

At the available level, profits emerged at £776,000, compared with £710,000, after tax of £576,000 (£245,000) and extraordinary debits of £7,000 (nil).

The rise in tax resulted from lower stock relief and lower relief from past losses.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Associated Book ...... int.	3.75	Nov 1	2	—	6.5
Ben Bailey	0.8	—	0.56	1.2	0.81
DRG .... int.	3	Nov 7	3	—	6
Eastern Produce ... int.	1.5	Nov 23	1.4	—	4.9
Emess Light.†¶ 2nd int.	5	—	4.5	—	7.5
Home Farm Prods.	2.1	Nov 9	1.75	3.25)	2.9
Lawrie Plantation	25	—	22	25	22
Manders (Hldgs.) ... int.	2	Nov 14	1.4	—	6
Mills & Allen	9†	Nov 29	8‖	13	11‖
Moss Bros. .... int.	1.54	Nov 14	1.05	—	3.55
Northern Industrial	6	—	6	8	8
Riley Leisure ...... int.	2	Dec 15	1.5	—	5.6§
Tilbury Group ...... int.	1.3	Oct 27	1.2*	—	4*
Wingate Prop.‡ ...... int.	0.5	—	—	—	—

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 17 months. ¶ Making 8.25p to date in 18 months period. ‖ Adjusted for share split.

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Outstanding amount: UA 7,480,000.

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Tilbury

Towards a Century 1884-1984

Interim result shows further progress

	Half year to 30th June 1983	30th June 1982	Year to 31st Dec. 1982
Turnover	£23m	£22m	£44.5m
Total pre-tax surplus	£1.36m	£0.95m	£2.51m
Earnings per 25p share	5.3p	4.8p*	11.7p*
Dividend per 25p share	1.3p	1.2p*	4.0p*
Net assets per 25p share	96.5p	89.6p*	92.5p*

*Equivalent figures after adjusting for the capitalisation issue.

• Profit increased 42.3% on turnover up 4.4%

• Good start in second half

Tilbury Group PLC
Tilbury House, Rusper Road, Horsham, West Sussex RH12 4BB

Construction · Roadstone
Plant · Mechanical Services
Property Development

UK COMPANY NEWS

J. Brown seeks new borrowing powers

John Brown, the troubled engineering group, is seeking a two-year increase in its borrowing powers mainly to finance stocks and work in progress at its John Brown Engineering subsidiary.

Earlier this year the group attempted to sell the subsidiary, a manufacturer of gas turbines, but negotiations with Hawker Siddeley were broken off last month.

The increase being sought is from one and a half to nearly two times the consolidated share capital and reserves. This would raise the group's borrowing limit from £130m to £170m, based on figures in the last balance sheet at March 31 1983.

Actual borrowings amounted to £102m at March 31, and Sir John Cuckney, the chairman, said in a letter to shareholders proposing the increase that they were still within the prescribed limit.

Sir John, who replaced Sir John Mayhew-Sanders as chairman in July, said: "It is a characteristic of the JBE business that to offer competitive delivery dates it is essential to build turbines in advance of expected orders." Despite low production levels, working capital needs at JBE could exceed the presently permitted levels.

Sir John reaffirmed, however, that the increase was only a temporary precautionary measure "to cover a period when the prime objective of your directors will be to reduce the indebtedness of the group."

The extraordinary general meeting of shareholders to consider the proposal will be held on October 14.

Manders lifted to £2.2m by UK printing ink side

SIGNIFICANT progress in printing ink activities at **Manders (Holdings)** helped bring about a rise of £358,000 in pre-tax profits to £2.22m for the half year to the end of June 1983. Turnover of this group, which also has interests in paint and property, expanded from £19m to £20.78m.

The net interim dividend is increased from 1.4p to 2p, partly to reduce disparity. Earnings per 25p share were given as rising from 6.8p to 8.9p. In the last full year a final of 4.6p was also paid from pre-tax profits of £3.5m.

A breakdown of pre-tax figures shows: UK paint and printing ink £941,000 (£466,000); overseas printing ink £242,000 (same); property £866,000 (£916,000); interest £174,000 (£241,000). Turnover was divided as to UK, £17.23m (£15.98m), and overseas £3.55m (£3.02m).

Benefits of rationalisation in the last second half, coupled with an 8 per cent improvement in sales enabled all UK divisions to make progress, say the directors.

The Australian subsidiary has performed indifferently for many years. While efforts to expand sales in Australia were successful, recession, devaluation of the Australian dollar, and a change of position by a major supplier, led to agreement to sell operations. This will lead to an extraordinary loss of £493,000.

Advance by Moss Bros.

PRE-TAX profits of tailor and outfitter, **Moss Bros** advanced from £135,000 to £225,000 for the six months to July 30 1983, while turnover—reflecting the inclusion of Fairdale Textiles—grew to £7.89m, against £4.36m.

The directors report that trading generally has been a little more encouraging and this, coupled with a determined effort throughout the business, has led to the increased profit.

They add, however, that it is still too early to forecast the outcome of the full year.

The net interim dividend is being lifted from 1.05p to 1.54p per 20p share, to reduce disparity—last year's final was 2.5p and pre-tax profits totalled £502,000.

Half-time earnings per 20p share climbed from 2.62p to 4.28p, after tax of £117,000 (£69,000).

Home Farm

As foreseen at the interim stage second half taxable profits of **Home Farm Products** did not equal those earned in the first although the year's outcome emerged £82,000 higher at £1.01m.

Second half profits, of this pork butcher, fell from £481,000 to £463,000, following a midway advance to £550,000 against £450,000.

Turnover for the year to May 28 1983 rose from £19.66m to £23.95m net of VAT, but the second half saw a fall to £11.21m, compared with £11.91m. Turnover at halfway was up from £7.75m to £12.74m.

The final distribution is lifted to 2.1p (1.75p), giving a higher total of 3.25p, against 2.9p, per 10p share.

Earnings for the year moved ahead to 11p (10.09p) after tax of £507,000 (£467,000).

Tate & Lyle

The rights issue by Tate and Lyle met with a warm response from shareholders. Of the 12.4m shares offered, 91 per cent were taken up, the balance being sold in the market at a net premium of 40.4p per share. These proceeds will be distributed pro rata among entitled shareholders.

Yearlings total £18m

Yearling bonds totalling £18m at 9¾ per cent have been issued this week by the following local authorities.

Aylesbury Vale DC £1m; St. Helen's Metropolitan BC £0.5m; Inverness DC £0.5m; Tewkesbury BC £1m; Liverpool (City of) £2.5m; Chesterfield (Borough of) £0.5m; Glasgow (City of) DC £1.5m; Lambeth (London Borough of) £1m; Allerdale DC £0.25m; Beverley BC £0.5m; Gateshead (Borough Council of) £0.5m; Hillingdon (London Borough of) £1m; Kingston upon Hull (City of) £1m; South Staffordshire DC £0.5m; Wirral (Metropolitan Borough of) £1m; Forest Heath DC £1m; Greenwich (London Borough of) £1m; Newbury DC £0.25m; Newcastle-Upon-Tyne (City of) £1m; Northampton BC £0.5m; Ogwr BC £0.5m; Waltham Forest (London Borough of) £0.5m.

Lawrie Plantation

Pre-tax profits for 1982 of **Lawrie Plantation Holdings** jumped from £2.97m to £4.02m and the dividend is lifted from 22p to 25p net.

Turnover rose from £8.84m to £11.82m and profits included a surplus of £72,000 (£1.04m) arising from the sale of investments.

BIDS AND DEALS

Sun Life offer for North British

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

North British Properties, the Gosforth-based development and investment group, has received a bid approach from **Sun Life Assurance**. Talks between the two sides are in progress.

News of the discussions sent North British shares up by 59p to 152p, placing a value of about £21m on the group. In July 1982, its investment portfolio was valued at £39m, providing a diluted net asset value of 202p a share.

Mr Peter Cadbury, of Morgan Grenfell, advisers to North British, said that the board was committed to explore the Sun Life proposals but was equally determined to ensure that any offer fully reflected the group's asset value. Shareholders are being advised to take no action until a further announcement.

Sun Life already owns just under 24 per cent of the issued equity in North British while the Bell family, which is well represented on the board, holds about 22 per cent.

North British was formed in 1979 when the Bellway group was split into separate residential and commercial property companies, with North British inheriting the commercial portfolio.

In the year ending July 1982, the group reported pre-tax profits of £613,000, against £1.58m in the previous twelve months. In the first half of 1982-83, pre-tax profits reached £311,000, compared with £403,000 in the same period the year before. A modest recovery in profits for the year just ended is expected.

North British has, until now, concentrated its activities in the north of the country and its recent performance has been hit by the weak property market, which has left it with substantial unlet space in development schemes. More recently, however, it has been looking to extend its activities to the southern part of the country.

Sun Life's approach has clearly been timed to take advantage of the group's present weakness. If any bid battle ensues, however, North British should be able to put up a good case for a net asset value of between 235p and 250p a share and point to improved profits, deriving from property dealing transactions, in the first half of this year.

Sun Life, which at the end of 1982 had property investments valued at £485m, last made a bid for a quoted property company in 1976 when it successfully fought for control of Artagen Properties in a deal worth nearly £50m. It is being advised by Lazard Brothers in the latest talks.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—APV, Aberdeen Construction, Beauford, Bentalls, Bridgewater Estates, Clyde Petroleum, James Finlay, Finlay Packaging, Garfunkels Restaurants, Grampian Holdings, Gratton, Harris Queensway, House of Fraser, John Laing, Leyland Paint and Wallpaper, Lilleshall, MCD, Oilfield Inspection Services, Superdrug Stores, Suter, George Wimpey.

Finals—S. Casket, HTV.

FUTURE DATES

Interims:—	
Allebone	Oct 14
Bardsey	Oct 7
Glaxo	†Oct 10
Ruberoid	Oct 5
Runciman (Walter)	Oct 25
Silkolene Lubricants	Oct 7
Finals:—	
BPM	Oct 17
Goodwin	Oct 3
Kwahu	Sept 30
Renishaw	Oct 5

† Corrected.

Pritchard gains 50.5% of Spring Grove

BY RAY MAUGHAN

Pritchard Services Group announced yesterday that it had received aceptances in respect of 50.5 per cent of **Spring Grove**, the troubled linen rental and workwear hire group. The £15m offer, Pritchard's advisors, Morgan Grenfell, announced has now become unconditional as to acceptances.

The terms are now conditional only in respect of the decision by the Office of Fair Trading whether or not to refer the deal to the Monopolies Commission.

The complicated whirl of laundry bids was expected to be untangled last night following clarification of the merger position.

Brengreen's offer for Sunlight Services reaches its first closing date today, December 29, which would normally provide the signal for the OFT to make known its decision to all interested parties. However, all sides were still awaiting the verdict last night which means that the fate of Brengreen's £31m bid is still undecided.

Its target, Sunlight, is itself bidding the equivalent of £24m for Spring Grove but this offer appeared to have been comprehensively shut out by Pritchard, barring the intervention of the Takeover Panel.

Sunlight, advised by Kleinwort Benson, was attempting to show that "Pritchard made a serious error when it stated that it had received undertakings to accept its offer from holders of 50.2 per cent of the Spring Grove equity."

The correct figure, Sunlight claimed, should have been less than 50 per cent because the bidder had not taken into account "options capable of being exercised into Spring Grove shares."

In these circumstances, Sunlight has requested the Panel to set aside all of Pritchard's acceptances, to debar Pritchard from acquiring further Spring Grove shares, to compel Pritchard to dispose of any Spring Grove shares acquired since the announcement of its increased offer and to require Pritchard to issue a corrective.

Willis Faber joint reinsurance venture

Johnson & Higgins and **Willis Faber**, two of the world's largest insurance brokers, have formed a joint venture to develop reinsurance business in North America.

Under the terms of an agreement, Willis Faber will take a 49 per cent interest in Johnson & Higgins' subsidiary Willcox Incorporated Reinsurance Intermediaries, based in New York City. The joint venture will have a subsidiary in London, Willis Faber & Willcox, which will be a Lloyd's broker and will handle North American business developed by Willcox.

Apart from its U.S. insurance links, Johnson & Higgins, the oldest broker in America, has strong international ties.

Willis Faber, whose relationship with Johnson & Higgins dates back to 1892, is one of the most influential firms at Lloyd's.

Mr Robert Hatcher, the chairman of Johnson & Higgins said: "The synergy created by this association will be an example of two plus two equalling five." He added: "A firm of Willis' stature and reputation in reinsurance will help us create an important force on the North American and London reinsurance scene."—The U.S. reinsurance market currently generates U.S.$10bn annually.

Mr David Palmer, chairman of Willis Faber, said he was delighted with the new venture. He added that it would "further strengthen the ties between ourselves and Johnson and Higgins and would clearly enhance the capabilities of both firms in the North American market."

The decision to join forces in North American reinsurance brokerage is the latest in a series of co-operative efforts between Johnson and Higgins and Willis Faber. The two brokers operate jointly in Canada, Australia and New Zealand.

In the U.S. they engage in surplus lines brokerage through Neal, Lloyd and Co, a Chicago-based excess and surplus lines brokerage firm, and jointly own Johnson and Higgins Willis Faber (U.S.), which manages underwriting syndicates on the New York Insurance Exchange.

Further joint ventures are foreseen but the two companies will continue to operate as separate and independent organisations.

Marconi buys Quest CAE

Marconi Instruments, a subsidiary of General Electric Company, has bought **Quest CAE**, the computer-aided design company which went into receivership in August.

Quest CAE was part of Quest Automation and had been in difficulty for some time because of the very high research and development costs. Quest Automation sold its controlling interest in Quest CAE in February to two private companies owned by Arab interests. Quest Automation is a public company in which the National Enterprise Board, now part of the British Technology Group, has a strong interest.

Gabraphone Transducers and United Technologies Massawippi UK paid £2m for a 51 per cent stake. The money was to be injected into the company to help it meet its R and D costs. The stake was subsequently increased to 61 per cent. The two investing companies make transducers and controlled by the Arab Research and Development Trust.

Quest Automation was one of the leading independent British suppliers of computer aided design equipment. Last year it was in talks with Racal-Redac and Compeda for a proposed merger which had strong government backing. The Department of Industry had been keen to see a consolidation of Britain's diverse computer aided design industry.

The deal fell through because of its complexity and both the duplication and diversity of the three companies activities. Compeda was subsequently bought by Prime, the U.S. minicomputer manufacturer.

The directors of Quest CAE asked the company's bankers, Barclays, to call in the receivers in August. Quest CAE is based at Ferndown in Dorset.

Marconi Instruments which has bought Quest CAE makes electronic test equipment for telecommunications and radio equipment as well as automatic test equipment and simulators and trainers

MINING NEWS

Position still precarious at Wit Nigel

BY GEORGE MILLING-STANLEY

THE South African Government's proposals to phase out its successful system of state assistance to qualify gold mines at times of low metal prices come under attack in the latest annual report from Witwatersrand Nigel.

Mr G. Abdinor, chairman of the small independent gold producer, believes that the scheme should be maintained in the absence of any alternative system of funding the capital expenditure necessary for the continued operation of threatened mines.

The authorities are currently collecting information before opening discussions with the mines concerned, and Mr Abdinor will have an opportunity to put his case during those talks

The Government Mining Engineer, who is responsible for administering the scheme, rejected Wit Nigel's application for further assistance during the last quarter of the financial year to June 30.

This has speeded up the continuing reappraisal of mining policy, which has already seen the shelving of plans to sink a new No. 10 shaft at a cost originally estimated at R10m (£5.9m), and the curtailment of operations to areas which are easily accessible from the present shaft system.

The reduced scale of operations led to a fall of a quarter in gold production last year.

The company now believes that it has about 4m tonnes of ore of economic grade close to the existing area of operations. The extensions to the plant necessary to treat this additional ore would be relatively minor, and the whole programme would cost around R4m over the next two years.

This might prolong Wit Nigel's immediately after Wit Nigel's annual meeting on October 19. life for a while, but it would do nothing to remove the basic problem of the operation's vulnerability to either a fall in the gold price or a rise in working costs.

A group of shareholders who are apparently dissatisfied with this precarious existence have called a meeting to consider the election of five new directors, it is reported from Johannesburg.

The group holds around 11.5 per cent of Wit Nigel's equity and there are suggestions that it might be able to muster support from as much as 40 per cent of the shareholders. The five proposed new directors are Messrs P. J. George, H. R. Bahrs, B. M. Brothers, B. P. Christos and D. J. Reed.

It is understood that the group intends to propose borrowing to finance the resumption of the sinking of No. 10 shaft.

The meeting will be held held immediately after Wit Nigel's annual meeting on October 19.

International round-up

CRIES OF "internal protectionism" have been prompted in the U.S. by the defeat in the House of Representatives of another Bill to give federal rights of way to pipelines which would carry coal in slurry form from the mines to customers, mainly electric utilities. Opposition has come mainly from the railways which transport about two-thirds of all coal and which seek to protect their position by refusing to allow pipelines to cross their property.

* * *

The Canadian Northgate group's 56 per cent-owned Orofino Resources reports that underground sampling at its old gold mining property in the Swayze district of Ontario has given significantly higher grades than those obtained in adjacent drill holes. Initial results of the sampling range up to an average 0.407 oz (12.6 grammes) gold per ton in a 565-ft length of the No 1 South vein.

* * *

Australia's **Mid-East Minerals** is to seek approval at the annual meeting on October 14 to distribute to shareholders its 60.4 per cent holding in the junior oil and gas explorer, Petro Energy, whose interests include a 6¼ per cent stake in the South Pepper oil discovery permit WA 149P.

It is proposed to distribute 212 shares in Petro Energy and 69 options (exercisable at 35 cents prior to May 30, 1986) for every 100 fully paid shares held in Mid-East Minerals. Winthrop Investments holds 61.83 per cent of Mid-East Minerals.

This advertisement complies with the requirements of the Council of The Stock Exchange.

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The issue price of the Debentures is 100 per cent. The Debentures have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Debenture.

Interest is payable annually in arrears on 15th October, the first payment being made on 15th October, 1984.

Full particulars of the Debentures are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 12th October, 1983 from the brokers to the issue:

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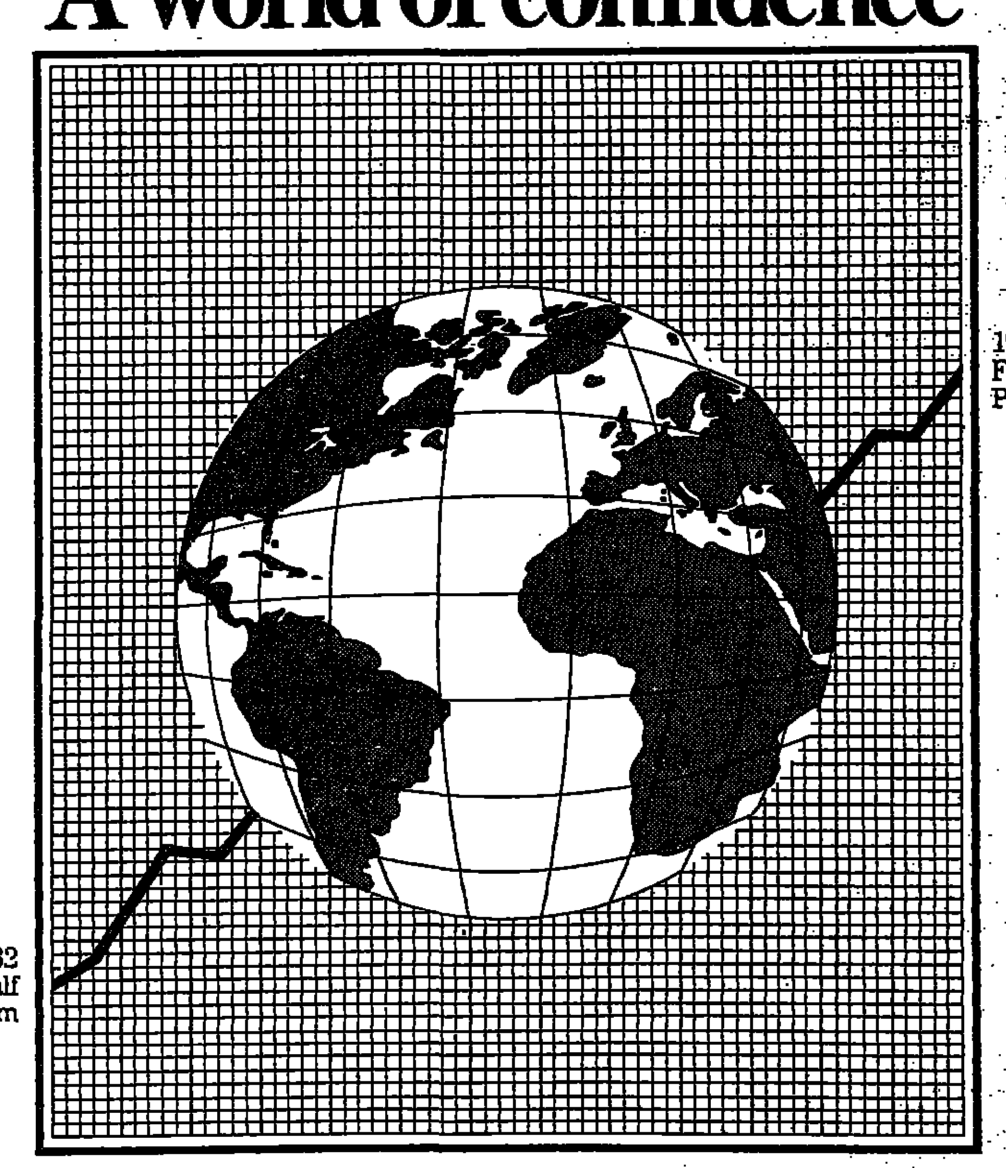

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What recruiters like and dislike in letters

BY MICHAEL DIXON

EMPLOYMENT legend tells of two personnel staff recruiting junior managers for different sections of the same big company. On receiving letters of application, both made a rule of looking first at the writer's address.

One thereupon scrapped any letter which did not include the postcode, on grounds that failure to do so unerringly revealed a slap-dash character. The other immediately ditched any application which did include the postcode, taking this as incontrovertible evidence of a pettifogging mind.

The tale, whether true or not, is a salutary warning against following general advice on the "best" way to compose job-applications.

That is not to say there is no general rule at all. For instance, given one of those nebulous offers of "an outstanding opportunity for an enterprising executive at a negotiable salary," poetic justice would be on the side of applicants who replied only that they were "enterprising executives with outstanding experience and of negotiable age." But I doubt that the advertiser would appreciate the point sufficiently to pursue the application.

So it would seem to be a general rue to supply at least a skeleton of personal and career facts, which should be either true or surrounded with an impenetrable cover. Recruiters, especially the consultant variety, increasingly check chapter and verse of applications that attract them.

But beyond that, when deciding to write to any particular recruiter, the applicant does best to proceed under what is known in the academic racket as the principle of insufficient reason. It dictates *that anything you do is as likely* to get you rejected as the opposite.

On the other hand if the object is not so much to get one specific job as to improve the average response across a goodly number of applications, then general advice could be useful. And it just happens that I have to hand the findings of a recent survey of 50 employers' and 50 recruitment consultants' tastes in the matter of career-record presentation.

The study was done by John Pollock and Tony Lake of the Centre for Professional and Executive Career Development and Counselling (67 Jermyn Street, London SW1Y 6NZ; telephone 01-930 2005). Mr Lake who did the analysis is a market-researcher as well as a counsellor.

One point of interest to the centre itself since it is engaged in helping jobless executives, is that 39 of the 50 employing organisations in addition to the entire lot of the consultants claimed that they could recognise at once a curriculum vitae produced by *any* redundancy counselling concern. While that apparently did not prejudice the employers either way, it tended to cause the consultants to be less interested.

Yet unsolicited applications sent to the consultancies had led to getting a job in 10.8 per cent of cases, compared with only 8.8 per cent of those sent directly to employers.

The whole lot of both camps preferred applicants to start with their full name, address and telephone number, followed immediately by personal facts such as marital status and age. Three out of four liked details of education to be listed before the information on the writer's working career.

All wanted to know which universities or other higher educational institutions had been attended and what degrees and professional qualifications had been gained. Two-thirds wanted to know the applicant's secondary school. Views differed on the need for lists of pass-grades gained in the various school-leaving examinations, but only 14 per cent actively disliked such lists even in the case of very senior appointments. More than three-quarters viewed foreign-language skills as important.

Career histories were unanimously required to state names of employers, titles of jobs held and dates thereof. The addition in each case of duties and achievements was overwhelmingly preferred to the separate listing of responsibilities etc. in a different section of the letter.

Records starting with the most recent job and proceeding backwards through time were favoured by two-thirds but resented by 14 per cent. A strong majority wanted both starting *and finishing salary for the most* recent job, but didn't think either essential in the matter of previous appointments.

The same applied to major perks such as company cars and bonuses.

Two thirds of the whole sample, and still more of the direct employers, wanted a statement of career aims. But three in every 10 were "unenthusiastic" about being instructed of the writer's expected salary or earnings.

A note of places where the applicant was prepared to work (which purpose would surely be served better by a list of those where he or she wouldn't set foot) was desired by fourth-fifths.

Just over half liked pension rights noted, preferably in a separate paragraph towards the end. Two-fifths favoured a further section listing significant but presumably respectable activities apart from main employment, and titles of any publications perpetrated by the applicant.

Direct employers and middlemen consultants disagreed about the desirability of additional very brief summaries of the full cv, employers tending to prefer and consultants not.

Almost two thirds of the whole lot did not welcome the applicant's photograph. And even more, especially the consultants, were put off by lists of personal characteristics such as "initiative" and "intelligence."

Two assorted

RECRUITER John Courtis seeks an assistant managing director for a Home Counties motor dealership to double as marketing director of its parent group which concentrates on the same lines of business. As is always the case in this column, since he may not name the employer he promises to keep confidential the name of any applicant who so requests.

Success in marketing and general management, not necessarily entirely in the motor trade, is the only essential. Rewards of £25,000

His colleague Mark Lockett wants a qualified accountant, preferably Dutch-speaking but London-based, with experience to suit the job of "travelling financial controller pottering across to Europe as the link between absentee parent companies (UK and U.S. based) and subsidiaries which—for reasons of language, scale or abhorrence of divisional expense budgets—are being monitored and helped externally by our clients rather than by the parent groups' staffs." Salary to £17,500

Address for inquiries in either case is John Courtis and Partners, 104 Marylebone Lane, London W1M 5FU: tel. 01-486 6849.

FX abroad

A BAHRAIN bank wishes to import, through the agency of Dudley Edmunds of Banking People, an English-speaking though not necessarily British senior foreign exchange dealer. The recruit will report directly to the bank's head of treasury and FX, who does happen to be British, and "will be given very reasonable dealing limits" so as to increase the concern's foreign-exchange activities.

Candidates should have at least five years success in similar work covering both spot and forward positions, preferably with highly reputed FX-trading organisations.

Salary about U.S.$70,000 tax-free plus bonuses and senior-status expatriate perks.

Inquiries to Mr Edmunds at 4 London Wall Buildings, Blomfield Street, London EC2M 5NT; tel. 01-588 8161.

An exceptional introduction to...

Merchant Banking

c£13,500+benefits+mtge

The Chief Executive of one of the UK's leading Accepting Houses wishes to meet young qualified **Chartered Accountants** seeking a career in banking. He offers exposure to four of the major divisions of the bank covering a period of approximately two years. This period will give diverse banking experience and guaranteed career progression within one of the divisions.

This is an excellent opportunity for a young **Chartered Accountant** to enter the world of Merchant Banking without limiting the initial experience to any one particular activity.

Candidates interested in further information should contact **Roger Tipple, M.A., Manager – Banking and Finance Division, Michael Page Partnership, PO Box 143, 31 Southampton Row, London WC1B 5HY,** or telephone 01-242 0965. Strict confidentiality is guaranteed.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Samuel Montagu

invites applications from suitably experienced individuals for the following important positions in its

Dealing Division

Credit Analyst To have responsibility for the Dealing Division's credit analysis function, including the preparation and presentation of submissions to the Credit Committee. Applicants should have considerable experience of critically analysing financial information, with a bias towards the international financial/professional trading sector.

Client Liaison To assist in the promotion and provision of dealing services to the corporate/institutional sector; the position calls for at least a year's active experience with a Treasury Department in this sector, or in a bank, dealing in foreign exchange/treasury markets. A basic appreciation of the factors influencing those markets is considered essential. Expected age range is 20-26.

The successful candidates will be offered competitive salaries and the usual substantial range of merchant banking benefits will be available.

Please write in confidence with full relevant details to T. J. B. Locker.

Samuel Montagu & Co. Limited,
114 Old Broad Street, London EC2P 2HY

International Investment Analyst

Significant expansion and development of international funds at Abbey Life Investment Services (ALIS) has created the need for an Investment Analyst to take on rapidly developing responsibilities within our international team, particularly in the Japanese and U.S. markets.

A proven ability to analyse companies and a positive interest in portfolio development is a prerequisite for the position, more so than a knowledge of overseas markets, for which full training will be given.

Ideally you will have at least two years relevant research experience, a good degree and be able to demonstrate good judgement, initiative and communication skills.

There are excellent prospects within ALIS which is responsible for the investment management of assets in excess of £1.7 billion on behalf of Group Companies including Abbey Life and Excess Insurance.

The position will attract a competitive salary plus substantial fringe benefits.

Please apply in writing, enclosing a comprehensive C.V. to:-

John Gough, Recruitment Manager,
Abbey Life Investment Services,
Abbey Life House, P.O. Box 65,
1-3 St. Paul's Churchyard,
London EC4P 4DX.

Abbey Life

Dunbar & Company Ltd.

Dunbar & Company Ltd. has already earned an enviable reputation in the fields of private banking services and portfolio management.

Its continuing growth and development has created a number of vacancies for people with a strong financial background.

LOANS MANAGER – remuneration package up to £16,000.

The successful applicant will be granting loans as well as organising and supervising the day to day administration. You are likely to be in your early thirties, an AIB, with considerable working experience of personal lending gained in a Clearing Bank, perhaps at Manager's Assistant level.

LOANS ADMINISTRATORS – up to £8,500.

We are looking for people with at least five years' Commercial Banking experience to work in the setting up and administration of loans. You will probably be in your early/mid twenties, well advanced in the Institute exams, with experience of securities work gained at grade 3 level in a Clearing Bank.

ASSISTANT TO TREASURY DIRECTOR – up to £13,000

Our Treasury Director is looking for an Assistant for the whole range of Treasury functions and to deputise for him in his absence. You must have experience in foreign and/or sterling dealing, probably in a support role. You may be an AIB, preferably in your late twenties with a good practical financial background.

Write for an explanatory booklet and application form to:
Cheryl Jones, Dunbar & Company Ltd., 53 Pall Mall, London SW1Y 5JH or telephone her on 01-930 2122.

DUNBAR & COMPANY LTD

A member of the Hambro Life Group of Companies

Assistant Inspector Computer Audit

CITY c. £16,000

Lloyds Bank has a vacancy for an Assistant Inspector in its London Computer Audit Section based in Cannon Street. Chartered Accountants in the age range 25/35, who have had computer audit experience, are required. Salary range from approx. £14,300 (plus L/A of £1650) with usual fringe benefits. There are opportunities to progress within the organisation. For further details and an application form, please apply to:
The Recruitment Manager, Lloyds Bank Plc, Black Horse House, 78 Cannon Street, London EC4P 4LN.

Lloyds Bank

Manager – U.K. Lending

Arranging Financial packages of up to £1m

£15,000 + Benefits

Our client is the expanding UK merchant banking subsidiary of a major overseas banking group. It undertakes a wide range of banking activities and in particular has a broad portfolio of small fast-growth companies to which it provides lending, corporate finance and venture capital services.

Candidates should be qualified Chartered Accountants, with at least two years experience of providing a range of financial services to small companies. The bank will encourage early responsibility, particularly for someone who can demonstrate a creative flair.

Credit/Loan Documentation — **c.£10,000**
Auditor/Operations Controller — **plus benefits**

In addition our client seeks a bright young loan administrator (age 26-30) to perform a broad ranging role including credit analysis – also, an experienced bank accountant (perhaps aged 40-55) to be responsible for the bank's day-to-day operations management and perform internal audits where necessary.

Interested candidates should contact **Kevin Byrne on 01-242 0965,** or write enclosing a detailed curriculum vitae to Banking and Finance Division, Michael Page Partnership, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

GENERAL MANAGER

We are a group of companies providing a variety of services to the Construction Industry in the Middle East, which include Procurement, Shipping, Recruitment, and Travel.

We require a dynamic, self-motivated professional who is capable of managing the companies within the group and leading by example in a high pressure environment.

The successful applicant, who will report direct to the Managing Director, is most likely to conform to the following outline specification:

1. Minimum of 38 years of age
2. Minimum of 10 years in management positions with at least 3 years at a level approaching the one outlined above
3. Qualifications: Degree in Business Administration or Accounting
4. Previous experience in related or similar work

Applications, which will be treated in strictest confidence, should be sent in writing, with photograph, giving FULL details of all previous experience, personal background etc; to:

D G M McCall
Managing Director
KAL Enterprises (UK) Limited
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London W1Y 1PF

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Cannon Assurance urgently require additional managers for their 1984 expansion in

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Excellent managers' remuneration.
Excellent training and financial support for your trainees,
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Telephone: GEORGE JUCKES
SOUTHERN GROUP MANAGER on 01-902 8876
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Cannon Assurance

WdeBroë

GILT EDGED SALES

Williams de Broë Hill Chaplin & Co. have developed a highly successful gilt department over the past seven years. We now seek experienced sales executives to help maintain the momentum built up by the existing team.

The salary and bonus offered will be fully competitive.

Apply in writing to:
P. W. Clarke
Williams de Broë Hill Chaplin & Company
P.O. Box 515, Pinners Hall, Austin Friars, EC2

People aren't redundant -only jobs.

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Manchester: 061-228 0089
Sunley Building, Piccadilly Plaza.
Glasgow: 041-332 1502, 141 West Nile St., G1 2RN.
Belfast: 0232-228768, 22 Great Victoria St., BT2 7ER.

We are also specialists in **'Outplacement'** for organisations, through our affiliated company **Lander Corporate Services Ltd.**

Loan Executive

We have a vacancy for an ambitious Loan Executive whose responsibilities will include credit analysis, appraisal of lending proposals and the development of corporate client relationships.

The successful applicant will be aged between 26-32 with an appropriate professional qualification, and have a thorough grounding in this field. This experience, probably gained in a clearing bank, must have included experience of dealing with major clients, together with a working knowledge of the sterling and eurocurrency markets.

An attractive salary with a comprehensive range of related benefits will be offered to the right candidate.

Please write with full details of career to date to:

The Personnel Director
N M Rothschild & Sons Limited
New Court
St Swithin's Lane
LONDON EC4P 4DU

N. M. Rothschild & Sons Limited

Finance & Administration Manager

For a professional working charity

Up to £15,000 + car – S.E. London

Too many people equate 'non-profit making' with 'non-commercial'. To meet their charitable aims, the management of any charity need to remember that their financial control must be as tight as any commercial enterprise, for their trading operation will compete in the marketplace on level terms. Our clients are a shining example: they have operated practically, commercially, yet caringly, for 125 years. A reorganisation now means an opening for a qualified accountant with company secretary experience (or maybe vice versa) to control both the accounting and administration departments. Clearly, commercial awareness will be a vital factor in the selection. There are already effective operating finance and administration teams, but a significant increase in trading business (both actual and forecast), along with the continued pressures of a comprehensive residential operation and an overall systems and procedures review to be implemented over the next two years, mean that the Director and Council will be looking for broad financial advice and administrative skills on a sophisticated level. The ideal candidate, probably mid-forties, will have experience of pensions and personnel management, an understanding of computer systems and a knowledge of company law, as well as straightforward financial and secretarial expertise. Immediate job satisfaction is apparent for the candidate sympathetic to charitable causes, while the future offers possible internal promotion - or excellent experience for the next career move.

Male or female candidates should send full career details in complete confidence to Terry Ward, quoting reference 3038/TRW

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63 Oxford Street, London W1R 1RB. Tel: 01-434 1661.

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28 Bolton, Street, London W1Y 8HB. Tel: 01-493 1309/1085

LOANS EXECUTIVE

Age 27-33

Salary not less than £18,000

City merchant bank seeks ambitious recruit for its sterling loans department. The candidate must be intelligent and articulate, possibly with a legal or accounting qualification, and certainly possessing good judgment and a commercial approach. Reporting to the banking director this challenging position in a successful group offers exceptional prospects for the right person.

Applications in confidence to:

Beresford Associates Limited,
118/119 Newgate Street,
London EC1A 7AE.

BANKING MANAGER

Salary circa £15,000 p.a. + benefits

Chancery Securities Limited, a rapidly expanding LDTI, requires a Banking Manager to supplement its management team. The successful applicant will be responsible for the refinement of existing banking procedures, supervising our computerisation, money market operations and will also be required to assist in lending control.
Applicants should be professionally qualified bankers.

Applications, together with CVs must be submitted to
G. D. Berger Esq., FCA Director
CHANCERY SECURITIES LIMITED
20 John Street, London WC1N 2DL

FOREX APPOINTMENTS

For Forex/LIFFE/Money Market appointments at all levels discuss your needs, at no cost, with a specialist

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Apply Box A8311, Financial Times 10 Cannon Street, London EC4P 4BY

INTERNATIONAL COMPUTER Company seeks single person 25-35. Minimum 5 years banking, export & international business experience particularly in Middle East & Africa. Considerable travel involved. £7.500 p.a. Write with C.V. to Wal, Lion House, Thames Ditton, Surrey.

GEOFF FIELD Consultant. FX. and MM Personnel. 37.39 Eastcheap. EC3M 1DT. 01-626 2831. Licence SE 7267.

BANKING BANKING BANKING

R-H

CHIEF DEALER

The need for this key appointment has been identified following expansion of operations within a major financial institution. Controlling all FX dealings, the successful applicant will have scope to develop potential profit areas and demonstrate strong leadership qualities. The position will be of interest to No. 2's or young Chief Dealers seeking recognition directly related to performance.

SENIOR BOND SALES

Career move offering substantial personal development within this highly professional Accepting House. With sole responsibility for the bank's sales activities, opportunities exist to develop arbitrage/futures trading. Suitable candidates will probably be graduates with 3+ years' experience gained in London or a European financial centre.

Please contact Felicity Hother on 01-406 2813

ROBERT HALF

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

LOANS OFFICER £15,000

An important overseas bank require an experienced credit administrator who has good analytical skills, knowledge of loan documentation, and accustomed to dealing with customers and supervising staff.

CREDIT OFFICER £13,000+

An experienced dealer with 3/4 years on spot/forward in major ground in banking and credit administration is essential. currencies or running one book ($/£, $/DM, $/yen) is required by a leading international bank who have an active dealing operation in the City.

CORPORATE DEALER £15,000

A leading City-based bank are seeking a dealer experienced in speaking to large net worth customers on Foreign Exchange, money market or similar investments i.e. commodities/futures. Fluent Italian speaker essential.

SENIOR FOREX DEALER £18,000 plus

A recently opened City branch of an overseas bank are seeking a lending officer to assist in developing their UK market. A back-

OLD BROAD STREET BUREAU LIMITED

STAFF CONSULTANTS 01 588 3991

DG **David Grove Associates**
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-248 1858

FORFAITING EXECUTIVE

Our Client:
is a successful, well-established American Bank, currently expanding its London operations.

The Task:
to establish and develop a forfaiting department within the Bank, building on the Bank's successful track record in the export finance field.

Candidates:
will ideally have had 2 to 3 years experience of active forfaiting, possibly including marketing responsibilities. However, we would be interested in talking to candidates who, while not necessarily specialists in forfaiting, include that area of business within their executive responsibilities.

Rewards:
a competitive salary with a generous benefit package, which will reflect the importance attached to this appointment.

Please apply to David Grove on 01-248 1858 or by sending an up-to-date c.v.

COUNTY TREASURERS DEPARTMENT

Trainee Investment Officer

Post No. T224 SC3-SO2 £5,640-£10,539

This post forms part of an established in-house team managing the County Council's superannuation fund.

The value of the fund is approximately £300 million with direct investments in gilts, other fixed interest securities, equities, foreign securities and property.

This is an opportunity to gain broad first-hand experience in the management of a highly-diversified pension fund and provides an excellent basis for further career advancement in this field.

The successful applicant will be involved in all aspects of fund management. This will include investment analysis, visits to companies, report writing, administration and monitoring of the portfolios for performance measurement.

Applicants will be graduates and/or professionally qualified in their early twenties. Academic or professional discipline is not restricted but evidence of numeracy plus an interest and awareness in economic and financial affairs is essential and will need to be demonstrated. The successful applicant will be expected, and given support, to complete the examinations of the Society of Investment Analysts and the Stock Exchange. Following qualification, promotion will be entirely dependent on merit. The salary will be a career grade £5,640-£10,539 with the possibility of further advancement.

If you have a genuine desire to follow a career in investment management, are highly motivated, willing to take on early responsibility and prepared to work as part of a small professional team, please write for an application form to

The Chief Executive (Personnel)
South Yorkshire County Council
County Hall, Barnsley

or telephone Barnsley 86141 ext. 286.

Closing date for applications: 10th October 1983.

South Yorkshire County Council is an Equal Opportunities Employer.

South Yorkshire County Council

International Banking Credit/Marketing

London

We are the leading international Scandinavian banking group established in London by major banks in the Nordic countries providing a full range of wholesale, commercial and merchant banking services.

We are seeking a well educated young banker to assist in the development of Danish related business.

Candidates aged 25-30 should ideally possess the following:

- Bachelor of Commerce or other similar qualification
- Experience in credit assessment
- Working knowledge of an international banking department
- Proven marketing capability
- Danish speaking with fluency in English

Written applications giving full details of qualifications, experience, age and current remuneration should be sent in confidence to:

Geoff T. Ritchie
Manager – Personnel
Scandinavian Bank Limited
Scandinavian House
2-6 Cannon Street
London EC4M 6XX

Scandinavian Bank Group

BANKING PEOPLE

Commercial Banking

Is your career stagnating due to the lack of internal opportunities? We are interested in meeting young bankers *who feel that their career would benefit from a move to* another major international bank. You will now possess:

* a University degree
* solid credit analysis experience
* another European language
* "hands on" lending experience

and be interested in a business development role. You will be based either in London, Paris, Amsterdam, Frankfurt, Madrid, Geneva or Athens. Future career potential is excellent for young, go-ahead bankers with an international perspective. Salaries will be negotiable from £14,000.

APPLICATIONS WILL BE HANDLED IN STRICTEST CONFIDENCE BY
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01-588 8161 (24-hour answering service)

4 LONDON WALL BUILDINGS, BLOMFIELD STREET, LONDON EC2M 5NT. 01-588 8161

Financial Systems Business Manager

A key appointment in a City-based operation

London £25,000

CAP Financial is a prestigious systems house specialising in systems for the financial community and currently enjoying a steep growth curve.

They now need a seasoned professional to join the management team which manages 120 people and a projected £4 million turnover.

The branch is principally involved in financial applications for clients which include banks, building societies, commodity and stockbrokers.

The successful candidate will combine extensive experience in a similar City-based computer operation with outstanding marketing flair.

Technically aware and commercially astute, you will have the strong leadership qualities needed to initiate and implement vigorous business development plans.

This is a key appointment within the expanding, profitable and successful CAP Group.

An excellent career package will be negotiated to attract the right applicant.

Please apply in confidence with full details to:

Tony Knott, UK Personnel Manager,
CAP (UK) LIMITED
20-26 Lambs Conduit Street, London WC1N 3LF.
Tel: 01-404 0911.

CAP

Business Development

in a long-established engineering company in the North-West, part of a very large British group. Company turnover exceeds £50m; it is profitable and it is now poised for further expansion and diversification.

- THIS IS therefore a key appointment and could well be at Board level. The role is to identify and evaluate high technology companies and products for acquisition or licensing and to negotiate agreements.
- DIRECTLY RELATED EXPERIENCE, coupled with demonstrable achievement is the essential requirement. This will almost certainly be backed by an honours degree or professional qualification.
- SALARY around £25,000. Car. Career prospects are good.

Write in complete confidence to G.W. Elms as adviser to the company.

TYZACK & PARTNERS LTD
SEARCH & SELECTION
10 HALLAM STREET · LONDON W1N 6DJ

Supervise Back-Up in Foreign Exchange

c£13,500 + bonus

The London branch of a major International Bank is growing rapidly and will soon be relocating to larger premises in the City. As a result, it is now essential to appoint a Supervisor for the F.X. Back-up Section.

Controlling a team of four and reporting to the Deputy General Manager, your duties will include the checking and approval of slips, telexes, computer input and account reconciliations. Furthermore, you will be responsible for signing Bankers *payments and B/A and Refinance bills*, dealing with all day-to-day problems and preparing reports for the Bank of England.

You will already have at least four years' experience in Back-up business affairs generally and ideally, two years will have been spent in a supervisory capacity. Probably aged in your mid-thirties, you are well-educated, self-motivated and alert with excellent planning and administrative skills.

Benefits include annual bonus, paid overtime, LVs, season ticket loan, etc. Future prospects are excellent, so if you are ready for a new challenge, ring or preferably write to me, Richard J. Sowerby, Senior Consultant, at Cripps, Sears and Associates Ltd. (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701 (24 hours).

Cripps, Sears

TEAM LEADER AVP/VICE PRESIDENT **Neg. AAE £25–£35,000 P.A.**

A highly prestigous organisation, with an established division specalising in major asset finance, UK big ticket tax based leasing transactions, managed leasing portfolios and corporate advisory services, seeks the following: A graduate or ACA MBA aged 30–35 years possessing a lively innovative approach, high technical skills encompassing pricing, structuring, evaluation, documentation, tax etc, plus a business development flair.

YOUNG ACA CORPORATE FINANCIAL SERVICES **£20–£25,000 P.A. + major benefits**

This major bank seeks a highly determined entrepreneurial ACA with at least three years *experience covering: credit risk assessment*, mergers, acquisitions, takeover codes — practices and management buy outs. High negotiating skills and the ability to act on own initiative is essential, as the position offers an unusually high degree of "licence".

TRAINEE INTERNATIONAL LEASING EXECUTIVE **c£20,000 P.A. + benefits**

If you have big ticket leasing experience which includes risk analysis, pricing, structuring and marketing of leasing transactions in the £5m + range, are a graduate (Legal Degree) or an ACA, show a flair for closing of UK tax based deals, our client offers (after further training) every opportunity to become International with even the possibility of an overseas relocation at a later date. Age range 26–32 years.

Please telephone or send detailed CV's to Brian Gooch/Jill Backhouse
Applications will be dealt with in strict confidence

Jonathan Wren *BANK RECRUITMENT CONSULTANTS*
170 Bishopsgate · London EC2M 4LX · 01 623 1266

Chief Executive

MERCHANT NAVY PENSION FUNDS

The Merchant Navy Officers Pension Fund is amongst the largest in the country. Together with the Merchant Navy Ratings Pension Fund the assets under management are approaching £1000m. The Funds are jointly administered under the aegis of the Merchant Navy Pensions Administration. There is a staff of over 100 based at Epsom. The vacancy arises through the impending retirement of the present incumbent.

- THE ROLE is to assume responsibility as chief executive officer for the three organisations, to direct the staff, to advise the Committees of Management and to ensure their decisions are implemented.
- PREREQUISITES are demonstrable general management capability acquired in a pension fund or a related financial context, standing in the City and familiarity with modern investment strategy and control. Knowledge of the shipping industry would be an advantage.
- PREFERRED AGE 40s. Salary negotiable in excess of £35,000.

Write in complete confidence
to R.T. Addis as adviser to the Funds.

TYZACK & PARTNERS LTD
SEARCH & SELECTION
10 HALLAM STREET LONDON W1N 6DJ

Business Development Executive

U.K. Banking Division

We are the leading international Scandinavian banking group established in London by major banks in the Nordic countries providing a full range of wholesale, commercial and merchant banking services.

For this new appointment we are seeking an experienced marketing professional who will report directly to the Executive Director, U.K. Banking.

As a Business Development Executive the person appointed will be responsible for developing new business in the U.K. and for marketing a wide range of products and services. Aged 28 – 40 candidates should not only possess proven credit and marketing skills, but also 'in-depth' knowledge of the banking products and services related to the U.K. market.

Whilst this appointment is based in London, travelling within an assigned area in the U.K. will be required.

This appointment represents a key role within the development of the division and offers excellent personal career opportunities.

Written applications giving full details of qualifications, experience, age and current remuneration should be sent in confidence to:

Geoff T. Ritchie
Manager – Personnel
Scandinavian Bank Limited
Scandinavian House
2-6 Cannon Street
London EC4M 6XX

Scandinavian Bank Group

Financial Director/ Company Secretary

c.£20,000 + car + benefits

Following internal promotion, this expanding manufacturing subsidiary of a major electronics group requires an exceptional Financial Director/Company Secretary.

The successful candidate for this key position will lead a team of 40 staff involved in Contracts and Shipping as well as accounts. Considerable computerised systems development has taken place which will continue under the new Financial Director. In addition to this active line management role, the person selected will make a positive contribution at Board level in steering the company through a period of sustained growth.

Candidates will be fully qualified accountants with significant experience in light manufacturing industry. Those currently at Financial Director level, aged 30-45, will be preferred.

The location is central South Coast in a most attractive area.

Write with full career, personal, and salary details to the address below, quoting ref: AS981/FT on the envelope. Your application will be forwarded directly to the client unopened, unless marked for the attention of our Security Manager with a note of companies to which it should not be sent.

PA
PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

General Secretary

The Clearing Bank Union

We have been retained to advise on the appointment of the General Secretary of The Clearing Bank Union which, with its federated unions, represents 93,000 staff in the English Clearing Banks.

An individual of exceptional ability and standing is required to plan and execute National negotiations on behalf of the CBU membership, to make representations to Government on major issues and to develop effective relationships with the media. As manager of the Union's Central Office the General Secretary will be responsible for policy research, administration and other support services.

Applicants, aged 40 to 50, should ideally have received formal business training and have extensive experience of industrial relations, preferably gained at National level in a commercial/financial environment. Previous experience as an officer of a trade union is desirable.

REWARDS: Salary is for discussion. A car and other benefits are provided including relocation assistance to the Winchester area.

Applicants of either sex apply in confidence. Ref: 922

Hales & Hindmarsh Associates Ltd.
Century House, Jewry Street,
Winchester, Hampshire
☎ (0962) 62253
Recruitment and Selection Consultants

BANQUE BELGE LIMITED

A Subsidiary of
Société Générale de Banque S.A.
Generale Bankmaatschappij N.V.

Expansion of our corporate business activity has created a vacancy for an ADDITIONAL

U.K. BUSINESS DEVELOPMENT MANAGER

We wish to recruit an exceptional person to join our existing business development team who has had at least three years' experience in developing U.K. corporate business.

Candidates should be able to demonstrate the ability to create new opportunities for the bank in this field and have had a wide-ranging banking experience in the U.K.

Salary is negotiable and accompanied by the usual comprehensive package of fringe benefits.

Applications, together with c.v., should be made in strict confidence to:—

Mr. P. N. Harris, Staff Manager
BANQUE BELGE LIMITED
4 Bishopsgate, London EC2N 4AD

Financial PR

Our client is a leading firm of City public relations consultants with an excellent reputation and strong client list. Part of a large communications and advertising group, it now wishes to expand its financial and corporate business through the addition of one or two bright young executives. The successful candidates are likely to be in the age bracket 27 to 35, and will have a good working knowledge of the City and its institutions. Currently they may already be working in financial PR or journalism, but candidates interested in moving into the profession from, say, stockbroking or merchant banking will gladly be considered.

The consultancy offers the right individuals an attractive remuneration package and an exciting, challenging career for which essential qualities are a quick mind, good presence, friendly personality and an ability to write and work well under pressure. They would be joining a close-knit, professional team whose skill lies in servicing major clients at the higest level and attracting a steady flow of new business.

If you would like to grow with this successful company and think you have the necessary attributes, please write with full details, quoting Ref. 046/6. Applications will be forwarded directly to our client, so please indicate separately any company to which yours should not be sent. Charles Barker Management Selection International Ltd., 30 Farringdon Street, London EC4A 4EA. Telephone 01-236 0588.

Charles Barker
SELECTION • SEARCH • ADVERTISING

RETAIL BANKER

Adam & Company plc is proposing to appoint an experienced Retail Banker to join its management team.

Applicants for the appointment will probably have had ten years' relevant experience in all aspects of retail banking. A professional qualification will be an advantage and the ability to work with a small professional group in a new organisation is essential.

Salary and benefits will be commensurate with age and experience.

PLEASE WRITE TO:
THE CHAIRMAN, ADAM & COMPANY plc,
22 CHARLOTTE SQUARE, EDINBURGH EH2 4DF.

Adam & Company
PUBLIC LIMITED COMPANY

HOARE GOVETT LIMITED

Blue Button

Hoare Govett Limited require a Blue Button. Applicants should have a minimum of five GCE "O" levels, be intelligent and of a smart appearance.

For further information please contact:
Annette Culverhouse, Personnel Officer
HOARE GOVETT LIMITED
Heron House, 319-325 High Holborn
London WC1V 7PB
Tel: 01-404 0344

FINANCIAL ACCOUNTING

We are an established International Consortium Bank and are seeking an Assistant Manager, reporting direct to Senior Management, to interpret and control the production of all aspects of our Management Reports.

The ideal applicant will be aged between 30 and 35, have had a sound Banking background, be able to communicate effectively, as well as provide leadership to a team of nine staff.

For further information, please telephone 01-606 0631 or write to:

Box A8309, Financial Times
10 Cannon Street, London EC4P 4BY

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Major U.S. Investment House seeks Trader with experience in all areas associated with the Trading of U.S. Treasury Bills, Bonds and Federal Agencies.
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Write Box A8310, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Management Accountant

EWBANK PREECE LIMITED is the parent company of one of the world's largest groups of consulting engineers and is the product of a recent merger of two old-established firms based in Brighton. The group has some 1500 staff in offices throughout the world. The financial function is currently based in Hove and the Group Chief Accountant is looking for a qualified accountant to report directly to him and be responsible for the parent company's management accounting.

The management accounting department prepares overhead reports within a budgetary control system, maintains central group accounting records and generally co-ordinates the preparation of management accounts within the group. There is scope for system development arising out of the merger and further computerisation as well as an opportunity to show initiative.

Candidates, ideally in their late twenties or early thirties should have good management accounting experience, the personality to lead and motivate an established team of staff, imagination and an interest in overseas affairs.

Salary is negotiable and will reflect the level of this appointment. Benefits are those expected of a major organisation including pension and life assurance schemes.

Please telephone the Group Personnel Department for an application form: Brighton (0273) 724533, or write to The Group Personnel Manager, Ewbank Preece Limited, Prudential House, North Street, Brighton BN1 1RW, Sussex.

Ewbank Preece
Limited

Systems Accountant

West End *from £13,500 with car*

Our client is one of the leading international firms of public relations consultants and a member of a major US based advertising and communications group. The London office has grown very quickly to its present position as one of the largest in the U.K. and now requires a Systems Accountant to ensure that the necessary infrastructure for continuing growth is developed and implemented.

There will be a dual responsibility to the local Finance Director and to the Group Finance Controller (Europe). Initially, the person appointed will undertake the review of existing manual and computerised systems, developing new or enhanced systems in conjunction with specialist software suppliers and supervising the implementation of these systems and ensuring proper user training. There will then be a transfer to a line accounting and supervision role after 12 to 18 months.

This is an ideal career opportunity for a young accountant who has trained and qualified in the profession and is now looking for first or second commercial position with real prospects for advancement. Candidates must be presentable, articulate, flexible and able to work alone and as part of a team as appropriate.

Our client is offering an interesting and challenging job with a clear end product, namely an integrated and efficient range of financial and administrative systems. The attractive salary and benefits package is commensurate with the importance of the position and the status of our client.

Candidates, male or female, should write requesting a personal history form to Alan Gilmour, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 1SY.
Please quote reference MCS/9024.

Price Waterhouse
Associates

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Senior Accountant

North East, to £15,000 + profit sharing + car

Further expansion by this substantial and highly successful manufacturing and marketing company, has led to the creation of this new and important financial management position. Prime responsibility is to assist the Financial Controller with the overall management and development of the accounting function, particularly with regard to planning and systems computerisation. Additional key tasks will be the integration of accounting for overseas and associate companies, corporate taxation and financial modelling. Candidates will be qualified accountants aged 28 to 35, with an established track record in manufacturing industry, including extensive computerised systems experience. Promotion prospects within this international group are excellent.

Male or female candidates should telephone in confidence for a Personal History Form or submit a comprehensive C.V. to A.D. Kelly, 4 Mosley Street, NEWCASTLE-UPON-TYNE NE1 1DE, 0632-327455, quoting reference 44178/FT.

Marketing Accountant

c. £14,000 + Car

Our client is a successful f.m.c.g. subsidiary of a U.S. International Company, located in the South East Home Counties.

As a result of an internal promotion, there is now a vacancy for a Marketing Accountant to work within the Sales and Marketing operation.

The successful candidate, male or female, is likely to be qualified (ACMA, CA), with 2 to 3 years post qualifying experience, ideally gained in a Sales/Marketing environment. A knowledge of D.P. systems and their application would be a distinct advantage.

The position offers career progression opportunities for an individual with a determined personality and well developed communication skills.

In addition to a comprehensive benefits package, relocation will be given where appropriate.

Please apply in writing to Mike John, quoting ref: MA/9/83 at the address below. List on a separate sheet those companies to which your application should not be sent.

Knightsbridge Advertising
199 Knightsbridge, London SW7.

Accountancy Appointments

International Careers
Young Accountants

British-American Tobacco Company Limited is part of B.A.T Industries whose turnover is in excess of 11,500 million pounds. We operate worldwide with companies in over 40 countries and we are looking for ambitious accountants to develop a career in financial management.

You should be in your early 20's, a graduate either ACA or ACMA currently employed in industry. You should now feel ready for a significant career move and have a desire to live and work overseas.

Following a thorough induction period, you will take up your first appointment in one of our overseas companies. This will be for 2–3 years and will rapidly build up your financial management skills and knowledge of our business.

For your future our policy is to offer positive career progress—in this case through a series of appointments which could be overseas or at the Group Centre in the UK—to top management appointments in finance and general management. Posts command attractive starting salaries, supported by a complete range of benefits.

Please write for an application form and further information to:

Geraldine Cable, British-American Tobacco Company Limited, Westminster House, 7 Millbank, London, SW1P 3JE.

B.A.T

Group Financial Controller

A young, energetic, chartered accountant (age 35/40) is required to take on the position of Group Finance Controller to a small International Group of Companies in property, building and civil engineering. Based in Essex, the successful applicant should be prepared to travel and to instal, monitor and assimilate management and budgetary controls in all the Group's trading centres and to report directly to and positively assist the Chairman and Managing Director.

Reply in first instance with cv to

S. Lipman F.C.A.
London WC1V 6RL
52/54 High Holborn
Messrs. Harris Lipman & Co.
High Holborn House

Company Accountant

required by Importer/Distributor of Audio products situated in London N7. The applicant need not be qualified but should be over 30 years old with experience in all aspects of company accounting including the use of computers (Burroughs B800) and the control of staff. A salary in excess of £12,000 is available according to experience and ability.

Please contact:
HW INTERNATIONAL
3-5 Eden Grove, London N7 8EQ
Tel: 01-607 2717

Entrepreneurial City Group

High profile, central role

Graduate ACA c.27

to £18,000

Reporting directly to the Chief Executive as a member of a small central team, this position takes a wide range of responsibilities. These will include assembly and interpretation of management and financial information from subsidiaries, preparation of the annual report and considerable involvement with confidential projects, often concerning acquisitions and investments.

This is an excellent opportunity for a 'Top 8' graduate accountant to capitalise on his or her professional experience, through wide ranging participation and exposure at the centre of a large, entrepreneurial group. The client is a major force in the field of securities and funds management, growing rapidly through a positive and aggressive approach to sales and through significant acquisitions in the UK and US.

Candidates will demonstrate their achievement to date by their academic and promotion record. It is likely they will have had broad experience, perhaps including some time in an investigation or technical department. Personal qualities must include an outgoing nature, developed communication skills and boardroom confidence.

Please reply in confidence giving concise career and personal details and quoting Ref. ER641/FT to I. D. Tomisson, Executive Selection.

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Accountants for Consultancy
A practical challenge

For accountants, consultancy offers many challenges and rewards. Varied assignments; interaction with other disciplines; meeting client needs; developing new and better ways of providing management information; all of these can stimulate, motivate and satisfy the professional accountant who enjoys solving problems.

The Price Waterhouse consulting practice is concerned not only with the development of practical and cost effective solutions, but also with their successful implementation. Our consultants need to work closely with their clients, to ensure that the recommendations that are made are achievable.

This environment presents a challenge which will test the full range of your technical and managerial skills.

It will also lead you into new areas of experience and expertise. Above all, it will enhance your professionalism.

If you are a qualified accountant with a successful track record which includes a management role, then we believe we can offer you the kind of professional challenge which you may be looking for as the next step in your career development.

Professional skills deserve realistic rewards and if the prospect of joining Price Waterhouse appeals, you will find that we can offer you a challenging career opportunity supported by an attractive package.

If you like the sound of our approach and wish to explore it further, write in confidence to David Prosser, Executive Selection Group, requesting an application form.

Please quote reference MCS/3958.

Price Waterhouse
Associates
Southwark Towers,
32 London Bridge Street, London SE1 9SY

Financial Controller—Designate

Central London **£20,000+car**

Our client, a wholly-owned subsidiary of a leading US multinational, designs and manufactures computers as well as providing a wide range of support services. To improve financial support, a graduate-calibre qualified accountant is sought to be responsible for the operation's financial management.

Aged 30–35, candidates will have gained experience in a marketing or fmcg environment and should have the expertise and personal qualities to:–

★ Implement financial analysis, planning and undertake modelling.
★ Advise and support Divisional Management by preparing relevant financial information.
★ Supervise a multidivisional accounting function and to ensure that DP systems are effective.
★ Match the company's progression by possessing self-styled determination and an acute business awareness.

For an individual with proven ability, a Financial Controllership is envisaged within 6 months; this involves taking responsibility for five operations with a combined turnover in excess of £100m.

Candidates should write to Nigel Hopkins, F.C.A., enclosing a comprehensive curriculum vitae quoting ref. 944, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

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Michael Page Partnership
International Recruitment Consultants
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ACCOUNTANCY APPOINTMENTS
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Finance Manager

Liverpool To £15,000+ Car

The Customer Services organisation of Plessey Telecommunications Limited is primarily a field force activity involved in the installation and commissioning of analogue and digital telephone exchanges at numerous sites within the UK and overseas. This vacancy reports to the Divisional Controller and provides a complete financial service to the General Manager.

The successful candidate will be required to manage and motivate a department of over 30 staff. Particular emphasis is currently on computerisation and effective integration of accounting information from different locations. Professionally qualified applicants, aged 28-35, will have gained management and financial accounting experience at a senior level, ideally in an engineering environment.

Salary is negotiable up to £15,000 and a Company car is provided. Other benefits include BUPA membership and a contributory pension fund. Generous relocation expenses will be payable in appropriate cases.

Male or female candidates should apply for our confidential form quoting Ref. 581 FT

Wickland Westcott & Partners
Management Selection/Training & Development
Eagle Star House, 16a Alderley Road, Wilmslow, Cheshire. SK9 1QX
Telephone: (0625) 532446.

ACCOUNTANCY ACCOUNTANCY ACCOUNTANCY

R-H

CHIEF ACCOUNTANT

SOUTH LONDON c£16,000+Car+Benefits

Our client is the hugely successful and rapidly expanding subsidiary of a major retail group. Just three years old, the company presently comprises eleven major trading units which will double in the next 18 months with an ambitious programme of openings beyond.

An excellent career opportunity exists for a high calibre accountant with proven management skills. This key appointment controls all accounting operations which are centralised at Head Office. The successful candidate will report directly to the Financial Controller and will gain considerable exposure to top level management.

The Chief Accountant will manage a rapidly expanding department, presently numbering 35 staff. Responsibilities include both management and statutory accounts, budgets, fixed assets, stock analyses etc. The position also demands considerable involvement with the development of computerised in-store systems.

Suitable candidates, aged 28-35, will be qualified accountants possessing a strong financial accounting background gained within a retail or multi-unit operation.

Initial enquiries to Jeff Grout, 01-606 6771

ROBERT HALF
LEE HOUSE, LONDON WALL, EC2 01-606 6771

European Controller
Midlands based; around £23,000

This appointment is to a multi-national corporation with some 40 established operations/subsidiaries throughout Western Europe. The European Region has a turnover of over $100m. from the sale of a well diversified range of products to manufacturing, commercial and public sectors.

Responsibility will be to a corporate headquarters based Director for management of the financial function of the European Region, through a small team of professional accountants at regional office, and line accountants at national level. Emphasis will be on further developing reporting standards, cash management, and contributing to business decision making in a fast moving marketing environment, as well as reacting to foreign exchange movements.

Candidates will be qualified accountants with extensive senior level financial management experience and some exposure to European accounting and taxation practices. Preferred age: 35 to 45. Fluency in French is essential, and a knowledge of Spanish would be an advantage.

Executive benefits include car and relocation assistance.

Please write – in confidence – stating how these requirements are met to E. I. Clark ref. B.75275.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited, Union Chambers, 63 Temple Row, Birmingham B2 5NS.

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HAY-MSL
MANAGEMENT SELECTION

Financial Controller
c. £16,000 & car Berkshire

Plessey Scientific-Atlanta is a joint venture company between Plessey and Scientific-Atlanta (USA). The Company which is sales orientated and not involved in manufacture, is expanding rapidly. This has created an exceptional new career opportunity for a qualified Accountant whose financial expertise will play a vital role within the senior management of the company. Scope for fast career progression is outstanding.

The person appointed will work closely with the Managing Director and be actively involved with all important decision making affecting the success of the business. Specific areas of responsibility include accounts reporting geared to the demands of shareholders and tender preparation for multi-million pound projects. Assistance will be available from within the Plessey Company for such areas as systems and statutory accounting.

Candidates must be ACA, ACCA or ICMA qualified with at least 2 years' commercial experience. They should also be capable of demonstrating their contribution within a quickly expanding company operating in a highly competitive market.

In addition to salary we will offer a package of other excellent benefits including BUPA, contributory pension scheme and generous relocation costs in appropriate circumstances.

To apply, please send a comprehensive c.v. to: Miss P. Graystone, Plessey Telecommunications Limited, Taplow Court, Maidenhead, Berkshire, SL6 0ER. Telephone Maidenhead (0628) 23351. Please quote reference FT/P/744.

Plessey Scientific-Atlanta

Financial Director Retail

East Midlands **ca. £19,000+car**

A very successful and growing multi-site retail shops division is seeking a Financial Director with retail experience who will act as the right hand to the Managing Director. Relevant qualified accountants please send full details to Sue Wallworth, Lonsdale Advertising Services.

LAS
Hesketh House, Portman Square, London W1H 9FG.

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Guidehouse Limited is now a well established Issuing House having advised on well over a hundred buy-outs', syndications and acquisitions in its first three years. Fee assignments are usually in the UK where Guidehouse has strong provincial links, although assignments have been carried out in the U.S.A., Europe and Africa.

Four top people are now sought in any of the specialities shown. Positions created by expansion are likely to appeal to Directors, Managers or Executives in Merchant Banks or in the Corporate Department of Stockbrokers with USM and syndication experience. We are also looking for a recently qualified accountant, perhaps with a tax qualification to work primarily internally.

Salary, equity and syndication package to encourage best people.

Apply in confidence (ring or write) to:
The Chairman (Ref ST)
Guidehouse Limited
Vestry House
Greyfriars Passage
Newgate Street
London EC1A 7BA

Telephone: 01-606 6321

Accountancy Appointments

Financial Consultancy

Thomson McLintock Associates is the management services company of Thomson McLintock & Co, a major firm of Chartered Accountants and the British member of the KMG international accounting group. We are expanding our financial consultancy team which specialises in performance reviews, capital construction projects and business investment and financial decisions.

Working with senior management, our assignments call for a high degree of self-sufficiency and creative flair coupled with substantial scope for personal development. Formal training is provided and consultants are encouraged to plan and carry out their own individual development programme.

Our requirement is for qualified accountants with a practical understanding of financial, management and operational problems. Evidence of technical excellence, drive and the ability to develop business strategies is also sought.

Age: around 30

The remuneration reflects the high standards we require.
Location: London.

Please write in confidence to DM Pennington (Ref: 45F).

TML KMG

Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX

Controller Operational Audit

London c£25,000 to £30,000

The company is a major UK and international group with an annual turnover exceeding £1,000 million. Reporting to the board of directors, the successful candidate will continue the development of a profit-oriented department in Operational, Management and Financial Systems Audits. Audits and ad hoc consulting projects encompass the major trading centres in the UK and activities in Europe and America.

We seek a qualified accountant, preferably a graduate, aged around 35, with five years experience in the management of an audit team or financial control system. The ability to assume in due course a significant line management position in the group is desirable since there is a proven history of career development for members of the group.

The compensation will also include a car and very comprehensive benefits.

Please reply in confidence with full career details to:

St. James's Corporate Consulting,
Box FT/823, St. James's House
4/7 Red Lion Court, Fleet Street, London EC4A 3EB.

Financial Director

Marketing/Distribution
W. London
c.£20,000 + car

A profitable, established company, engaged in the marketing and distribution of fast moving consumer goods, seeks a Financial Director. This is a high-volume business, subject to fluctuations in product demand, and sophisticated systems are used throughout the organisation. Turnover, now approaching £50m., reflects a dominant position in the market.

As one of the only three executive directors, the Financial Director will control some 30 staff in the accounting and computer functions (System 38), as well as playing a key role in formulating strategy.

Candidates should offer evidence of achievement and commercial flair to complement a sound educational background. The ideal profile is that of a graduate Chartered Accountant, aged 30-34 and trained by a major firm, with senior level experience outside the profession since qualifying.

Please write in confidence quoting reference 3875/L, to N. P. Halsey, Peat Marwick Mitchell & Co., Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

FINANCIAL CONTROL in the Oil Industry

As one of the most active and successful organisations operating in the UK Offshore Energy Industry, Britoil continues to invest both at *home and abroad.*

1983 forecasts anticipate sales in excess of £1,000m. and capital expenditure in the region of £500m. Effective financial control is therefore critical and, to this end, a small dedicated team has prime responsibility to monitor and report on the company's financial performance.

We now wish to appoint an additional member to this team.

You will:

- Be a qualified accountant aged between 29 and 33
- Have four to seven years' post-qualifying experience in financial analysis and management accounting obtained in large, preferably quoted, companies in the oil or manufacturing sectors
- Have a working knowledge of financial modelling
- Currently earn in excess of £14,000

We will offer:

- A varied and stimulating position which will develop your existing abilities
- Exposure to many of the complex control issues associated with our business
- The opportunity to participate in the development of the next generation of corporate financial modelling systems.

A highly competitive salary and benefits package is offered, which includes generous assistance with relocation arrangements, where appropriate, to our Glasgow Headquarters. Our outstanding pension scheme includes life assurance cover, and provision is made for private medical insurance.

If you are interested, please write or telephone for an application form to K. W. Mearchent, Senior Personnel Officer, Britoil plc, 150 St. Vincent Street, Glasgow G2 5LJ, quoting the reference FC/KWM/FT or telephone 041-204 2525. This position is open to men and women.

Britoil

Chief Accountant

City c. £15,000 + Car

Our client is a profitable, expanding group of freight forwarding companies. Based in the City, it has offices across the U.K., in Europe and the U.S. It operates worldwide, and its clients largely comprise U.K. and overseas 'blue-chip' companies. Growth calls for the appointment of a Chief Accountant who will report to and support the Managing Director in his dealings with financial institutions.

The successful candidate will be a qualified accountant, aged late 20's upwards and used to serving a keenly competitive market. Experience will include the control of an Accounts Department and the application of computerised systems to the rapid provision and consolidation of all statutory and management accounts. It will include budgetary control and currency management. Experience of freight forwarding is not essential, but high standards, good communication, creativity and flexibility of mind are.

The management team is small, young and professional, and this post provides an opportunity to grow with it. A contributory pension will apply, and other benefits include private medical insurance. Assistance will be given with necessary relocation expenses and some U.K. travel is possible.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy MLH, 126, Baker Street, London W1M 1FH, quoting reference M578.

STOY MLH

Management Consultants

FINANCIAL DIRECTOR

A West Midland based public company wishes to appoint a new group financial director to assume full responsibility for the financial control of the group including reporting to the main board on all financial matters. In addition the applicant will be expected to play a major role in the group's intended expansion programme *including researching possible acquisitions* and reporting to the board on the viability of such acquisitions from a commercial as well as a financial point of view.

The successful applicant (who should, after a probationary period, be offered a seat on the main board) must be a qualified accountant under 45 years of age, with sound commercial experience and therefore the ideal candidate will have gained wide experience both in the profession and in industry. Salary (up to £20,000 together with benefits which include car, company pension scheme, life assurance, BUPA, etc.) will be by negotiation and based on experience.

Please reply in writing to Box A8312
Financial Times, 10 Cannon Street, London EC4P 4BY

Corporate Finance

West End c£16,000+car

Impressive profits, continuing expansion, £250 million turnover and a reputation for quality goods, have led our client to seek a graduate accountant for its highly professional corporate finance team.

Candidates, aged 24–27, will be qualified accountants with a good academic record able to demonstrate a successful career either within the Profession or in a marketing-orientated organisation. Commercial awareness, perception, initiative and the ability to work effectively in a close-knit team are essential.

The role encompasses financial analysis and interpretation of results, necessitating liaison with senior executives on the justification of the figures. There is also acquisition study work and the development of management reporting systems.

For an exceptional candidate possessing the required qualities and background, this position is seen as a stepping stone to a group senior management appointment within two years.

The highly competitive remuneration package consists of a salary plus a performance-related bonus.

Candidates should write to Nigel Hopkins, FCA, enclosing a comprehensive C.V. and quoting ref: 945, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

TAX PARTNER/PARTNER DESIGNATE £30,000-£50,000

ACA's 32-40 Central London

Our client is an expanding medium-sized firm of chartered accountants in central London. The firm is seeking to develop its tax practice by recruiting a Tax Partner/Partner Designate who will take a leading role in tax planning work for existing clients ranging from substantial earners, Underwriters etc. through to sizeable unquoted and listed companies. He/she will also take an active role in tax practice development and handle numerous one-off tax consultancy assignments.

The salary range is designed to attract experienced tax managers in medium-sized, large or international practices and existing salaried/equity tax partners. A strong corporate tax experience bias is preferred but personal tax knowledge and experience would be welcome.

Prospects to partnership for managers would be within 1-2 years. Existing partners would not lose status.

For more information please contact George Ormrod B.A.(Oxon.) or Barrie S. Grossman B.A.Econ., F.C.A. on 01-836 9501 or write with CV to Douglas Llambias Associates Limited at our London address quoting reference No. 4179.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS DLA
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Financial Director

DENNIS RUABON • Ceramic Floor Tiles
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With a turnover in excess of £4m and employing around 200 people, our client is the European market leader in high quality quarry tiles. Situated in an attractive part of Clwyd, this very successful private company is now seeking a new financial executive.

Reporting to the MD, the person appointed will control a small Accounts Department, upgrade the information systems, develop new financial policies, and manage the company's ambitious current and future capital investment programmes.

Candidates must be qualified A.C.A.'s, ideally aged 30 to 40 with several years experience of accounting in a process industry. Detailed experience of plant accounting combined with the preparation and interpretation of financial accounts, and a successful track record in the development of new computerised systems are essential. Also familiarity with the sourcing of funds and the financial control of major investment programmes, as well as cash control, are vital pre-requisites. The starting salary depends on age and experience, a car is provided and assistance will be given with relocation costs if necessary.

Write or telephone for an application form or send detailed cv to **D.J. Dewhirst**, as adviser to the company, at the address below, *quoting ref: AA55/8378/FT on both letter and envelope.* Please advise us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission.

PA

PA Personnel Services

6 Highfield Road, Edgbaston, Birmingham B15 3DJ.
Tel: 021-454 5791 Telex: 337239

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

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Management Accountant Athens

Senior Accountant required for large international petrochemical construction group, to be responsible to the Financial Controller for general fiscal and cost accounting, preparation of budget and budgetary control and management reporting. The Accountant will be based in Athens (Greece) but some travelling will be necessary to the Middle East.

Previous involvement in major international projects would be an advantage. Age range is 30 to 50 maximum.

Candidates should be Chartered Accountants or possess equivalent qualifications with substantial experience in the oil or petrochemical industry and in the commerical field.

These are permanent positions and the salary offered will reflect their importance. Promotion prospects are good and the appointment will be initially for three years and renewable, with annual leave and air passages paid.

Applications are invited from men and women who should write in confidence to David Sears or telephone (24 hour answering service) for a personal history form, quoting reference S/390/7.

The P-E Consulting Group Appointments Division
166 Piccadilly, London W1V 9DE Tel: 01-499 1948

PE

Accountancy Appointments

Group financial controller

City, c£20,000+car

C&L

Reporting to the Managing Director of the London based administration headquarters of the developing international operations of a fast growing US financial information service. With activities in 25 countries, turnover should double next year and the medium term forecast is exceptional.

Your first task will be to establish a corporate accounting function, subsequently adapting the on line computer systems already running in the US. You will coordinate all statutory and management reporting, providing business planning and financial analysis services to the operations.

A Chartered Accountant aged around 30 you should combine initiative and energy with a record of achievement to date. Still in the profession or already in commerce, some experience of international reporting requirements and exposure to the financial institutions will enable you to make an early contribution.

Résumés including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref.B141.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Reetway House 25 Farringdon Street
London EC4A 4AQ

Ambitious Accountants

International Operations

Openings have arisen through recent internal promotions for newly qualified CA's to join the City-based Head Office financial control team of a multinational with diverse business interests.

Accountants can join as project accountants undertaking a variety of interesting accounting projects or as internal auditors involved in quantitive and qualitative reviews. Internal auditors, although City-based, will travel extensively in non-European countries, reviewing a varied range of operations.

Applicants, ideally graduates will be Chartered Accountants in their early to mid 20's who can show a high level of technical competence and who are now seeking a career move leading to a line management position after two or three years.

Detailed CV's showing present salary should be sent to the Personnel Manager, Amalgamated Metal Corporation PLC, Adelaide House, London Bridge, London EC4R 9DT.

AMC

AMALGAMATED METAL CORPORATION PLC

A member of the Preussag Group

Financial Control

London Base — **to £21,000 + car**

For a leading and rapidly expanding firm of management consultants operating in the UK and internationally. Their clients include a wide range of businesses in manufacturing, retail, distribution, banking and financial services; and central and local government.

Your work as a consultant would be varied, including investigations, profit improvement and feasibility studies; and the development and implementation of management information systems. At a critical stage in your career it offers a unique chance to expand your technical and analytical skills, to work with colleagues in marketing, engineering and other disciplines and, if you wish, to travel abroad.

Your industrial or commercial experience could have been gained in either a line or a staff position; but you must be a qualified accountant and in the age range 26-34. Opportunities for advancement are excellent.

Write in confidence to E H Simpson at 10 Bolt Court, London EC4 quoting ref. S143 (telephone 01-583 3911).

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This challenging role requires a qualified accountant, 27-32 who:

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For an individual fulfilling the above, proven success will lead to a Board appointment after two years. The competitive remuneration package includes a bonus-related scheme.

Candidates should write to Nigel Hopkins, F.C.A., enclosing a comprehensive curriculum vitae, quoting ref. 943 at P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

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FINANCIAL ACCOUNTANT

Financial Services

An interesting opportunity has arisen for an accountant to join a rapidly expanding investment management company.

The person appointed will be responsible to the Finance Director for all aspects of the accounting function and will be closely involved in the development of computerised systems.

Candidates should be qualified accountants, aged 26-32 with a minimum of two years post qualification experience. The position will carry an attractive salary.

Please apply in writing to:

David Harrison
FRASER HENDERSON LIMITED
28b Albemarle Street, London W1X 3FA
or telephone him on 01-499 7551

Northern Home Counties c. £25,000 + Car

Finance Director

Our client is a major importer and wholesaler of high quality hi-fi and other electronic products. The imminence of next-generation technology and its projected impact on already substantial growth creates the need for a Financial Director, who will assume all financial and company secretarial responsibility including the production of all statutory and management accounts, and provide close entrepreneurial support to the Managing Director.

The successful candidate, who will be a qualified accountant and aged mid-30's upwards, will demonstrate particular competence in import finance, possibly in respect of leisure goods. The market is highly competitive, and the development of computerised systems to provide rapid and sensitive decision-support data is experience especially sought, as is evidence of a mature commercial judgement.

This is a post for the commercially aware. It offers stimulus and an opportunity to grow with the Group. Benefits include contributory pension and private medical insurance, and an eventual equity stake is possible. Assistance will be given with necessary relocation expenses.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr C.A. Cotton, Executive Recruitment Division, Stoy MLH, 3rd Floor, Waterloo House, 20 Waterloo Street, Birmingham B2 5TS, quoting ref. M577.

STOY MLH

Management Consultants

Receivership

£12,000 – £15,000

London, Leeds, Birmingham

Our client is one of the most prestigious international firms of accountants and has achieved rapid growth within its insolvency practice.

As part of the national expansion programme it wishes to appoint a small number of commercially minded Chartered Accountants who have a minimum of one year's receivership experience.

Candidates will be ideally aged 26-30, possess strong communicative skills and have ambition to succeed in a competitive and challenging environment.

A full relocation package is available where necessary.

Interested applicants should contact their local MPP Office quoting reference 428/3B as follows:-

Allan Marks PO Box 143, 31 Southampton Row, London. WC1B 5HY **01-405-0442**
Graham Thompson 13-14 Park Place, Leeds. LS1 2SJ **0532-450212**
Nicholas Stephens 24 Bennetts Hill, Birmingham. B2 5QP **021-643-6255**

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CAMBRIDGE

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This senior position with a new company requires not only a high level of professional expertise in personal finance for expatriates, but a sympathetic understanding of all aspects of expatriate life. The company deals with both individuals and employers over a wide range of financial and other topics.

Candidates should have at least five years' experience in the expatriate field and must be able to demonstrate the extent and depth of their technical knowledge in taxation, investment, pensions and insurance. Experience with foreign nationals in the U.K. would also be advantageous.

Apply with full c.v. to Box A8313
Financial Times, 10 Cannon Street, London EC4P 4BY

Financial Management

Two vacancies in Central London for ACA/ACCA/ACMA

Our client is a non-profit making body active in the field of further education. It is self financing by enrolment fees and to ensure that this desirable state of affairs continues, our client has undertaken a review of the administrative and accounting functions. As a result of this, two new accounting vacancies have been created:

Financial Controller — *c£20,000*

Reporting direct to the Chief Executive, the Financial Controller will be responsible for the entire financial and data processing functions of the organisation. With his staff, he must provide a reliable and cost effective management information service to his colleagues in senior management. As a member of the Executive Committee and the senior financial officer, he will have a significant advisory role in providing the expertise necessary for the proper financial management of our client's affairs.

Candidates, male or female, must be qualified chartered accountants with substantial commercial experience at senior management level. It is unlikely that anyone under 35 years of age will have the necessary breadth of general business experience. A high level of tact and diplomacy will be a useful attribute.

To apply, please send a detailed C.V. quoting ref: MCS 9025

Financial & Management Information Manager c£16,000

Reporting direct to the Financial Controller, the F & MI Manager carries responsibility for the provision of regular management reports as well as the running of the finance section and two administrative units servicing our client's operational staff. Close liaison with the DP Manager will be necessary in relation to the development and up-grading of accounting and specialist administrative systems.

Candidates, male or female, should be qualified ACA, ACCA or ACMA with significant commercial experience. A knowledge of computerised accounting procedures is essential, as is experience of staff supervision. The likely age range is 28 to 35, but the primary qualities we will be seeking include an innovative and flexible approach and a high degree of commitment.

To apply, please write for a personal history form, quoting ref: MCS 9026

These two positions will comprise our client's financial management resources and the candidates appointed must be capable of working as a team. For the right individuals, our client will offer an attractive salary and benefits package. Either position offers good prospects of career development through growth within the job and promotion arising from future growth of the organisation.

Please indicate clearly the position for which you wish to be considered by marking one or other reference number on the envelope. (It would be inappropriate to apply for both positions). Applications should be addressed, in confidence, to:

Alan Gilmour,
Executive Selection Division,
Southwark Towers,
32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

Controller of Internal Consultancy and Audit Services

OXFORD BASED — **c.£20,000**

Following the promotion of the current post holder to another senior financial position within the group, we now wish to recruit a Senior Executive to lead and continue the development of commercially based internal consulting and audit functions.

BPCC is a rapidly expanding group comprising over 50 companies in the UK and throughout the world. The group is committed to high quality profit growth and the development of a profit orientated consultancy, and audit function is seen as a key part of this strategy, encompassing financial and operational reviews throughout the group companies to ensure that adequate controls are maintained and the resources are used efficiently and effectively.

This senior position will be filled by a candidate who can satisfy all the following requirements.

- **A leading accounting qualification.**
- **Demonstrable success in a similar role in an international group or at Audit Manager level in a leading firm of Chartered Accountants.**
- **Not less than three years' commercial experience.**
- **Extensive experience of computerised systems.**
- **An absence of domestic commitments which may affect the mobility demands which the post may entail.**
- **A good judge of people coupled with a tactful perseverence when dealing with a broad cross section of management levels.**

It is anticipated that the successful candidate will be in his/her thirties. Subsequent career prospects are exceptional in this rapidly evolving organisation.

The remuneration package will reflect the level of seniority which is attached to this position.

Candidates who can satisfy all the above requirements should send full CV to: Peter Bouch, Personnel Controller,

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Oxford OX3 0BW

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1-3 Mortimer St., London, W.1
Tel: 01-637 5277 (12 lines)

INTERNATIONAL APPOINTMENTS

APPEAR TODAY

ON PAGE 14

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday September 29 1983

UK banks plan for stock market reform, Page 34

WALL STREET

Firmness in interest rate hits equities

FEW OF Wall Street's stock investors were in a mood yesterday to expand their holdings on any but the most favourable terms, as signals came in from the credit markets that not much could be expected in the way of immediate and sizeable drops in market rates there, *writes Gordon Cramb in New York*

The Dow Jones Industrial average, after drifting through much of the day just below its overnight figure, closed six points off at 1241.97.

Turnover dwindled to some 76m shares from Tuesday's already modest 81.1m, while 847 stocks showed declines against the 638 which managed a gain.

This came in tandem with a move by the Federal Reserve to drain surplus liquidity in the credit markets, its first such action in more than a fortnight. The overnight reverse repurchases it arranged, with Fed funds at 8⅝ per cent, were seen as an attempt to close off a three-day spree which has brought the funds rate down from 9 per cent to nearer 8 per cent and with isolated quirky trades as low as 5 per cent.

One analyst at a major securities house pointed out that the U.S. commercial banks were awash with reserves as the Treasury settled its receipts ahead to the end of the quarter tomorrow.

Interbank lending, which the funds rate reflects, could thus afford to be on more generous terms. Funds opened at 8½ yesterday and, after the Fed's intervention, moved up to 9¼, then jumped as high as 11. The Banks' own weekly settlement operations also clouded the picture.

Treasury Bill rates gave a better account, the analyst said. If funds were meant in the Fed's view to be at 8½, the bills would be discounted at 8¼.

The current level of 8.79 for the three-month paper and 8.94 for the six-month suggested a funds rate pitched at 9 per cent – still a good half-point below the first half of the month and a sign of a more relaxed Fed attitude as money supply stays within bounds.

The bill rates were six to nine basis points firmer than Tuesday's close, and *the bond market was generally* unruffled by the Fed action, according to dealers.

But a growing focus of concern was identified in U.S. inflation, which a Columbia Business School index is reflecting as having been on a rising trend all year. This would point to an annual rate of some 6½ per cent for next year, at least a point higher than that expected by the markets.

One of the day's best gains came from International Harvester, with investors grabbing at the first good news there for some time: a good showing by its French unit took the stock $2½ higher to $11¾.

Elsewhere, Southern Pacific and Santa Fe, the railways planning to merge, encountered further displeasure to take the former $1⅛ down at $36¾ and the latter $2⅛ lower to $30¼. Earnings dilution is the point at issue.

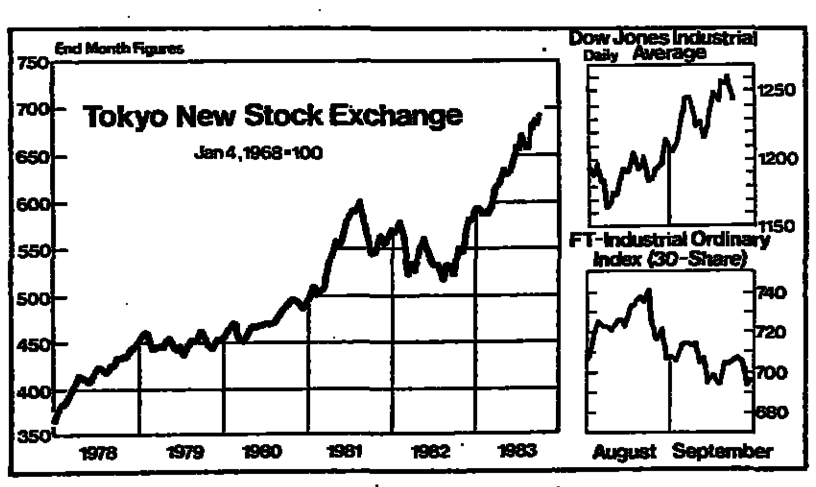
Insurance issues showed busy dealings in Continental Corporation, down $2 at $31⅛, with activity accounted for largely by one big block of 2.58m shares crossed at $31½. Transamerica firmed $⅛ at $27⅞ with earlier blocks of 250,000 at $27¾ and 220,000 at $27⅝.

Trans World jumped $3½ to $29¾ on a pending reshape, while on the American exchange Texas Air slid $⅝ to $5¼ after suspending dividends. Eastern rallied $⅝ to $5¼.

Broker Merrill Lynch was again active and $1⅜ weaker at $32⅞ after a $2⅞ slide on Tuesday on reports of a client's contractual default. Harris Bankcorp drew benefit from possible Bank of Montreal interest, gaining $1 to $69¾.

The Federal Reserve made a second, more muted entry to the credit markets to buy $300m in bills for a customer account, by which time Fed funds had reached 9 per cent. The long bond, the 12 per cent of 2013, shed 19/32 to 104 7/32.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Sept 28	Previous	Year ago
NEW YORK			
DJ Industrials	1241.97	1247.97	919.33
DJ Transport	566.32	565.91	367.13
DJ Utilities	134.97	134.73	117.02
S&P Composite	*168.01*	*168.43*	*123.24*
LONDON			
FT Ind.Ord	696.9	674.0	581.1
FT-A All-share	446.11	445.21	363.30
FT-A 500	483.02	481.75	404.53
FT-A Ind	433.22	431.84	378.88
FT Gold mines	622.6	623.7	365.4
FT Govt secs	82.07	82.13	79.95
TOKYO			
Nikkei-Dow	9445.32	9414.15	6940.51
Tokyo SE	694.37	692.62	523.14
AUSTRALIA			
All Ord.	716.3	718.8	511.7
Metals & Mins.	569.5	579.1	407.8
AUSTRIA			
Credit Aktien	55.01	55.09	47.92
BELGIUM			
Belgian SE	131.78	132.91	101.75
CANADA			
Toronto Composite	2561.5	2579.8	1627.5
Montreal Industrials	461.78	464.96	297.26
Combined	435.34	438.32	280.68
DENMARK			
Copenhagen SE	197.64	196.53	91.45
FRANCE			
CAC Gen	138.2	139.2	100.0
Ind. Tendance	148.3	149.1	116.1
WEST GERMANY			
FAZ-Aktien	317.01	317.1	230.58
Commerzbank	941.3	940.7	697.6
HONG KONG			
Hang Seng	777.0	800.7	988.66
ITALY			
Banca Comm.	194.58	195.16	160.08
NETHERLANDS			
ANP-CBS Gen	143.0	144.0	88.6
ANP-CBS Ind	116.3	116.5	68.9
NORWAY			
Oslo SE	207.3	208.8	103.26
SINGAPORE			
Straits Times	980.75	981.93	658.62
SOUTH AFRICA			
Golds	860.20	860.2	646.3
Industrials	955.80	955.8	672.6
SPAIN			
Madrid SE	115.82	116.03	99.07
SWEDEN			
J & P	1481.42	1494.99	673.19
SWITZERLAND			
Swiss Bank Ind	335.0	335.0	249.7
WORLD	Sep 27	Prev	Yr ago
Capital Int'l	182.1	183.6	135.5

GOLD (per ounce)

	Sept 28	Prev
London	$413.375	$416.625
Frankfurt	$413.50	$412.25
Zürich	$413.50	$412.50
Paris (fixing)	$415.81	$414.92
Luxembourg (fixing)	$414.00	$413.50
New York (Oct)	$411.00	$413.90

* Indicates latest pre-close figure

CURRENCIES

(London)	U.S. DOLLAR Sept 28	U.S. DOLLAR Previous	STERLING Sept 28	STERLING Previous
$	–	–	1.499	1.4975
DM	2.644	2.6505	3.965	3.9725
Yen	236.8	238.05	355	357
FFr	8.0175	8.0425	12.015	12.045
SwFr	2.1310	2.1405	3.1975	3.21
Guilder	2.9590	2.9670	4.4375	4.445
Lira	1598.75	1606.5	2396.5	2405
BFr	53.49	53.77	80.20	80.50
C$	1.23275	1.23275	1.848	1.8460

INTEREST RATES

	Sept 28	Prev
Euro-currencies (three month offered rate)		
£	9⅝	9⅝
SwFr	4¼	4½
DM	5⅞	5¾
FFr	14⅝	14½
FT London Interbank fixing (offered rate)		
3-month U.S.$	*9 9/16*	9⅝
6-month U.S.$	9¾	9 13/16
U.S. Fed Funds	9¼	8⅝
U.S. 3-month CDs	9.05	9.15
U.S. 3-month T-bills	8.79	8.73

U.S BONDS

Treasury	Sept 28 Price	Sept 28 Yield	Prev Price	Prev Yield
10⅜ 1985	100 17/32*	10.53	100 19/32	10.48
11½ 1990	102 5/32*	11.45	100 11/32	11.39
11⅞ 1993	102 19/32*	11.49	102 29/32	11.76
12 2013	100 7/32*	11.49	104 23/32	11.43
Corporate	**Sept 28 Price**	**Sept 28 Yield**	**Prev Price**	**Prev Yield**
AT & T				
10⅜ June 1990	94½*	11.57*	94⅜	11.60
3⅞ July 1990	69½*	10.25*	69½	10.25
8¾ May 2000	76½*	12.05*	76½	12.05
Xerox				
10⅞ March 1993	93⅛*	11.85*	93⅛	11.85
Diamond Shamrock				
10⅜ May 1993	92¼*	12.00*	91⅞	12.10
Federated Dept Stores				
10⅜ May 2013	12.05*	88.525*	12.05	88.525
Abbot Lab				
11.8 Feb 2013	12.05*	97.954*	12.05	97.954
Alcoa				
12¼ Dec 2012	12.60*	97.26*	12.60	97.26

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
December	75–25	73–00	72–14	72–23
U.S. Treasury Bills (IMM) $1m points of 100%				
September	90.20	90.23	90.16	90.15
Certificates of Deposit (IMM) $1m points of 100%				
September	90.83	90.90	90.83	90.82
LONDON				
Three-month Eurodollar $1m points of 100%				
December	90.32	90.38	90.31	90.29
20-year Notional Gilt £50,000 32nds of 100%				
September	105–10	105–10	105–07	105–18

COMMODITIES

(London)	Sept 28	Prev
Silver (spot fixing)	794.20p	793.00p
Copper (cash)	£1007.00	£1015.00
Coffee (Sept)	£1812.50	£1771.00
Oil (spot Arabian light)	$28.62	$28.62

LONDON

Blue chip rally ends dull start

QUIET AND nervous conditions prevailed in London at the start of trading yesterday when dealers continued to fear possible repercussions of the confirmed failure of C. and R. Pastor Securities (Panama).

The depression soon lifted, and leading blue chips rallied from lower opening levels on light buying in the belief that markets might perk up now that recent uncertainties have been pinpointed. The FT Industrial Ordinary index improved steadily as the day progressed and the close was 2.9 up at 696.9.

Golds met persistent selling which lowered Gold Mines of Kalgoorlie 15p to 710p. The speculative golds remained on offer and falls of around 3p were common to Allstate, 48p, Carr Boyd, 83p, Otter, 52 p, Sons of Gwalia, 53p, and United Goldfields, 48p. *Details, Page 35; Share Information, Pages 36–37.*

AUSTRALIA

STRONG buying support from bargain hunters and overseas investors failed to lift **Sydney** stocks back from the lows reached during a morning of profit-taking.

The decline was again led by substantial losses in mining and oil and gas issues, depressed by Wall Street's overnight slide and the weakness of world gold and base metal markets.

The All Ordinaries index finished 2.3 points off at 716.4 after shedding almost 5 points early on.

Weeks Australia and Weeks Petroleum unloaded their entire holdings in Australian Oil and Development (AOD) in three off-market deals in **Melbourne.**

SINGAPORE

LACK of buying interest combined with the depressed tone of Wall Street to bring a broad-based retreat in **Singapore** prices yesterday. A marginal rally in the afternoon was insufficient to recover ground lost earlier and the Straits Times Industrial index closed 1.18 points off at 980.75.

Haw Par was the heaviest loser, dropping 44 cents to S$2.34, but Malayan Cement was also hard hit with a 35 cent decline to S$9.10.

HONG KONG

INSTITUTIONS and large investors stayed on the sidelines in **Hong Kong** yesterday as the market digested Tuesday's surprise Government takeover of the troubled Hang Lung Bank. But calm prevailed and most leading shares posted moderate losses, pulling the Hang Seng index back 23.7 points to 777.

SOUTH AFRICA

GAINS outnumbered losses in **Johannesburg** yesterday as gold shares reversed their trend over the past two days and closed mixed to firmer. The bullion price continued little changed. Trading was slow, however.

Heavyweight Western Deep gained 50 cents to R61.50 while most lightweights added five or 10 cents.

Mining financials were generally steady while among other minings, diamond share De Beers rose four cents to R9.97

CANADA

OILS and transportation stocks showed sharp declines at midsession in **Toronto** yesterday, as most prices headed steadily lower.

The composite index, which lost 18.4 points on Tuesday, fell another 8.6 points to 2,571.2.

In **Montreal**, most sectors showed losses except for banking, where some issues made slight gains.

TOKYO

No pause in Nikkei Dow record run

BLUE CHIP and incentive-backed issues came to the fore as shares extended their advance in Tokyo yesterday despite an overnight decline on Wall Street. Bond prices plunged on heavy selling by financial institutions, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei Dow Jones index added 31.17 points to finish at another record of 9,445.32 on an active volume of 486.34m shares against Tuesday's 444.58m. The indicator thus rose for its seventh successive session for a total of 304.07 points.

Active trading continued yesterday with buying interest centring on incentive-backed issues in the morning and on blue-chip stocks in the afternoon.

Aoki Construction – a recently favoured speculative – again made progress, putting on Y56 to Y1,040. Revived buying interest in issues related to the projected information network system (INS), an advanced nationwide telecommunications grid using optical fibre cables, pushed Nippon Sheet Glass Y13 ahead to Y506 and Sumitomo Electric Y19 to Y659.

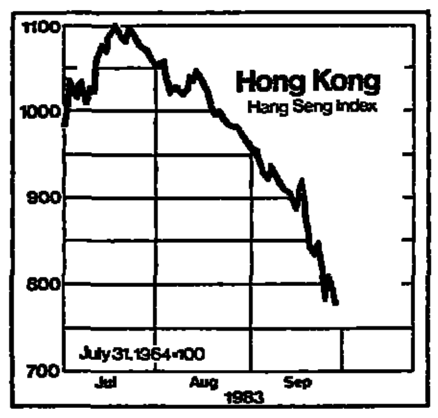
But big-capital shipbuilding and synthetic fibre issues, whose prices were relatively low remained mixed, though securities firms tried to interest investors in these issues.

Among shipbuilders, Mitsubishi Heavy Industries added Y2 to Y269, but Ishikawajima-Harima Heavy Industries shed Y1 to Y170. In the synthetic fibre sector, Asahi Chemical rose Y2 to Y400, but Teijin was unchanged at Y377.

Blue chip issues were mixed – Sony put on Y50 to Y3,700, Matsushita Electric Industrial Y40 to Y1,760 and Honda Motor Y29 to Y947, while NEC retreated Y20 to Y1,420 and TDK Y110 to Y5,350.

Bond prices reacted favourably to lower U.S. interest rates and the yen's rise against the dollar on the Tokyo foreign exchange market. They suffered heavy selling, however, by city and regional banks, and some other financial institutions, and as a result bond yields rose sharply.

Securities firms with large holdings were hesitant about bond purchases, adding to the selling pressure. The yield on the long-term 7.5 per cent issue mat*uring in January 1993 climbed to* 7.77 per cent from Tuesday's 7.73 per cent. On the long-term 7.7 per cent issue maturing in November 1989 the yield rose to 7.45 per cent from 7.42 per cent.



EUROPE

Depressing downturn diffused

THE STRENGTHENING of the D-Mark, together with an absence of selling pressure, enabled **Frankfurt** to shrug off the depressing effect of the previous day's sharp downturn on Wall Street.

Volume was thin and purchasers selective but most major issues made modest gains. A bout of selling by domestic mutual funds approaching the end of the financial year was quickly absorbed, and the Commerzbank index showed a *0.6 point gain to 941.3.*

Overcoming recent pressures stemming from weak export business, MAN climbed DM 3 to DM 146 and Mannesmann DM 1.30 to DM 137.

Chemicals traded narrowly to finish barely ahead with Hoechst gaining 50 pfg to DM 156.50

Hoesch was a strong point in steels, adding DM 3.30 to DM 91.80. Thyssen gained 40 pfg to DM 73.70 but Kloeckner was off 60 pfg at DM 38.50.

The softer dollar and a late slide in the Federal Funds rate in New York boosted prices of domestic bonds by up to 30 basis points.

Continued profit-taking, the shrinking value of the franc and Wall Street's fall, all added to selling pressures in **Paris** and prices drifted lower in quiet trading.

Troubled engineering group Creusot-Loire shed FFr 3.8 to FFr 63.8 amid uncertainty over whether its board would approve a government rescue package.

Banks, foods and financials were sharply lower, with Schneider down FFr 7.5 to FFr 123.5.

Electricals were generally lower, with Cit-Alcatel down FFr 13 to FFr 1,325 and Radiotechnique off FFr 7 to FFr 416. Oils and chemicals also declined.

In **Amsterdam**, prices moved lower but losses were limited by investor optimism over interest rate prospects and the fact that Dutch shares had not risen as sharply as expected after Wall Street's record on Monday.

Hoogovens edged ahead 30 cents to Fl 35.80 but most other internationals faded. Royal Dutch lost Fl 1.10 to Fl 137.40 and Akzo slipped 60 cents to Fl 80.20.

Belgian and foreign share prices were lower in **Brussels** where investors followed the Wall Street trend in moderate trading.

Turnover slipped from recent levels in **Zurich** and prices closed mostly easier as brokers squared their positions before the month-end.

Banks were broadly lower with UBS down SwFr 10 at SwFr 3150 and Credit Suisse off SwFr 15 at SwFr 2120. Leading financials were little changed.

Rumours that the Government might introduce new taxes in the forthcoming budget triggered a selling wave in **Milan**, but losses were slight and the sales easily absorbed. Major industrials, including Fiat and Olivetti, were the biggest losers.

*In **Madrid**, prices fell slightly in thin* trading. Electricals continued to decline, as did chemicals.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus. Neither the Attorney General of the State of New York nor the Attorney General of the State of New Jersey nor the Bureau of Securities of the State of New Jersey has passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.

$70,000,000

Vagabond Hotels, Inc.

15% Senior Subordinated Debentures due September 15, 1995

(Interest payable March 15 and September 15)

Price 100%

plus accrued interest from September 15, 1983

Copies of the Prospectus are obtainable in any State from the undersigned and such other dealers as may lawfully offer these securities in such State.

Drexel Burnham Lambert
INCORPORATED

September 21, 1983

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus. Neither the Attorney General of the State of New York nor the Attorney General of the State of New Jersey nor the Bureau of Securities of the State of New Jersey has passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.

30,000 Units

Vagabond Hotels, Inc.

$30,000,000 8⅝% Subordinated Debentures due September 15, 1995

(Interest payable March 15 and September 15)

210,000 Shares of Common Stock
300,000 Common Stock Purchase Warrants

Each Unit consists of $1,000 principal amount of Subordinated Debentures, seven shares of Common Stock and ten Common Stock Purchase Warrants expiring September 15, 1988. The securities included in the Units are not separately transferable until after December 20, 1983, or such earlier date as may be determined by the Company with the consent of Drexel Burnham Lambert Incorporated.

Price $1,000 per Unit

plus accrued interest on the Subordinated Debentures from September 15, 1983

Copies of the Prospectus are obtainable in any State from the undersigned and such other dealers as may lawfully offer these securities in such State.

Drexel Burnham Lambert
INCORPORATED

September 21, 1983

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17¼	6⅞	AAR	.44	2.9	21	14	15⅛	15	15⅛	
20	14½	AMF	.50	2.9		1465	17⅜	16⅞	17⅛	+¼
39¼	13¼	AMR Cp			42	7457	28¼	27	28	+⅜
18½	14⅛	AMR	pf2.18	12.		86	18¼	18½	18¼	
39⅝	24⅞	AMR	pf2.13	6.8		352	31½	29⅝	31⅛	-⅛
15⅞	2½	APL				194	15⅝	15⅛	15⅜	
55	31¼	ARA	2.05	3.9	13	54	52½	51¾	52½	+⅜
79⅜	42¼	ASA	3a	5.0		523	61¼	59¼	60	-1¼
33¼	9⅛	AVX	s .32	1.1	70	118	29	28⅜	28⅜	
51¼	34¼	AbtLab	1	2.0	19	657	50⅞	49⅞	50⅛	-⅛
30⅝	24	AccoW	n .50	2.0	19	10	24⅝	24⅜	24⅝	-⅛
27½	16¼	AcmeC	.40	1.7		37	23⅝	23½	23½	-⅛
14⅜	7⅛	AcmeE	.32b	2.8	281	8	11¼	11⅛	11¼	
21⅝	6	AdmDg	.04	.2	17	38	u21¾	21⅛	21½	+⅛
17⅞	14⅞	AdaEx	1.73e	9.9		50	17½	17¼	17½	+¼
19⅝	6⅞	AdmMl	.24	1.4	9	11	18	17⅝	17⅞	-⅛
18⅝	8⅛	Advest	s .12	.8	8	190	14⅝	14¼	14½	-⅛
34⅝	8⅝	AMD	s		69	3258	31⅞	30⅝	31⅛	+1⅛
24⅝	12⅜	Aerflx	s		19	329	18⅝	18⅛	18½	
44⅞	32⅞	AetnLf	2.64	7.1	7	1259	37½	36⅝	37	-⅜
65	52⅞	AetL	pf5.18e	9.1		821	56¼	56¼	56⅝	-⅛
40½	14¼	Ahmns	.60	2.0	17	31	30¼	30⅛	30⅜	+⅛
7⅜	2⅞	Aileen				210	4⅝	4½	4½	-⅛

Continued on Page 33

A FINANCIAL TIMES SURVEY

CUMBRIA

DECEMBER 9, 1983

The Financial Times is proposing to publish a Survey on Cumbria in its issue of December 9, 1983. The provisional editorial synopsis is set out below.

INTRODUCTION: Cumbria is the second largest county in England and Wales. Though it is a mainly rural area, good communications provided by the M6 motorway, the main West Coast London to Edinburgh rail line and services from Carlisle Airport provide a solid foundation for industry. An unemployment rate lower than the national average masks the economic problems of West Cumbria which has suffered industrial shrinkage. The Survey will examine new initiatives designed to bolster the country's economy.

Editorial coverage will also include:

INDUSTRY PROPERTY ENTERPRISE ZONE TOURISM

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of all Surveys are subject to change at the discretion of the Editor

هكذا منه الأصل

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
6⅛	1½	ATI				33	2¾	2½	2¾	+ ¼
19½	10½	AcmU	s .32	2.0	18	2	16⅛	16⅛	16⅛	+ ⅛
14½	1⅝	Action	s		10	119	13⅛	12⅝	12⅝	
12	5⅝	Actons		11	13 37	99	8	7⅝	7⅝	+ ⅛
6½	1⅞	Actn	wt			21	3⅞	3⅝	3⅞	− ⅛
8	1⅝	AdmRs				43	4½	4⅛	4⅛	− ¼
30⅞	14⅛	AdRusl	s .10	.4	17	14	25⅞	25⅛	25⅞	
28⅞	14¾	Adobe	.20	.9	16	167	23⅛	22⅞	23	+ ½
5⅞	2	AegisCp			15	133	4⅛	4⅛	4⅛	
7	4	Aeronca			8	9	4⅝	4⅝	4⅝	− ⅛
32½	11	AGHsp	.36	1.5	11	2	24⅛	24⅛	24⅛	+ ¼
17½	3⅞	AlrSix			10	19	13½	13	13	− ⅛
15½	5⅞	AlrExp				42	7⅝	7½	7½	− ¼
6⅞	4⅝	Alamc	n		12	113	6⅛	5⅞	5⅞	+ ⅛
23⅞	4¼	AlbaW	.15e	1.0	13	18	15	14⅞	15	− ⅛
12⅞	3	AlnTr	s			5	7⅛	7⅛	7⅛	+ ⅛
12⅞	7⅞	AlmySt			17	1	11⅞	11⅞	11⅞	− ⅛
10½	5⅛	AlphaA				6	6⅛	6	6	
28⅞	14⅛	Alphal	s .05	.2	28	135	20⅞	20⅛	20⅞	− ⅛
2⅞	1⅛	Altex				20	2⅞	2⅛	2⅛	+ ⅛
37	28⅛	Alcoa	pf3.75	11		z450	34½	33	34½	+2
32½	11⅛	AlzaCp				361	21⅞	21½	21⅞	+ ⅛
29⅞	11½	Amdhl	s .20	1.0	55	1185	20⅞	19⅞	19⅞	− ⅞
25⅞	6⅛	Amedc	s .08	.5	22	155	18½	17⅞	17⅞	− ⅞
7½	3½	ABlt	n .16	2.8	33	24	5⅞	5⅛	5⅞	
5	1⅞	AmCap				6	3½	3⅛	3⅛	− ⅛
44⅛	12⅞	AExp	wt			319	27	24⅛	25	−2⅞
15½	7½	Alsrael			3	3	8⅞	8⅞	8⅞	
19⅞	9⅞	AMzaA	.52	3.2	63	7	16⅛	16⅛	16⅛	
18⅛	9	AMzaB	.52	3.2	62	3	16⅞	16⅛	16⅛	− ⅛
18⅛	3⅛	AMBld	s			172	6½	6⅛	6⅛	− ⅛
38½	19⅞	AMotn	.25	.8	12	82	31⅞	31⅛	31⅛	− ¼
60⅞	47⅛	AmPetf	3.20	5.5	17	13	59	58½	58½	− ½
8⅞	3½	APlan				5	7⅛	7⅛	7⅛	+ ⅛
20⅞	11⅞	APrec	.28	1.9	17	23	15	14⅞	15	+ ⅛
9	3⅞	AmRlty			75	7	6⅛	6⅛	6⅛	
12⅞	3⅞	AScIE				34	9⅞	9⅛	9⅞	
11⅞	2⅛	AmWell				122	11½	10⅞	11⅛	+ ⅛
6⅛	3⅞	Ampal	n .12	2.9	3	82	4⅛	4⅛	4⅛	− ⅛
3⅞	1	Amost				82	1½	1⅞	1⅞	
26⅞	12	AndJcb	.63t	5.4	15	67	12⅛	d11⅞	11⅛	− ⅞
26⅞	10⅛	Andrea	.72	5.4	16	4	13⅞	13⅛	13⅞	− ⅛

12 Month High	12 Month Low	Stock	Div.
6⅞	4⅛	Bucich	pf.50
19½	8⅞	Buell	.40
22	7⅞	CDI	
16⅞	5⅛	CHB	.20b
12⅛	3⅞	CMICp	
29⅞	15⅞	CRS	.34
34⅛	7⅞	CaesNJ	
28⅞	12⅛	CalMPC	.60
12⅞	8⅛	CalRE	1.12
13½	8	Calprp	n
19⅛	8⅞	Camco	.28
7	3⅞	Campnl	
22⅞	7⅞	CMar	.sg
24⅞	10⅞	CanOcc	.36
38½	24	CWine	n
7⅞	2	Cardiff	
9⅞	3	Cardil	
25⅞	6	Caresa	s .40
12⅞	1⅞	Casbin	s
35⅞	25⅛	CasFd	2.20a
16⅞	9⅞	Castin	n
9⅛	2 11-16	CeluC	s
2	⅛	Comenl	
2⅞	1½	Cenl	pf
14	8½	CentSe	1.75a
19½	10⅛	CtryFa	.10e
12⅞	4⅛	Celec	.16
23⅛	8⅞	ChadMl	.80a
7⅞	3	ChmpH	
30⅞	15⅞	ChrMA	s
29⅞	15⅞	ChrMB	s
7	5⅞	ChrtM	pf.75
17½	12	ChRv	1.20
24	16⅞	ChtD	g
26⅛	4½	Chltn	s .14
25	12⅛	CircK	.74
24	11⅛	CtFst	s 1
22½	12	CtyGas	1.20
25⅛	11⅞	Clarost	.50a
13½	6⅛	Clausg	s .46

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

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Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

UK BANKS MOVE CLOSER TO THE LONDON STOCK EXCHANGE

The questions reform raises

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

ALTHOUGH PLANS to reform the London Stock Exchange were only agreed this summer, Britain's clearing banks are already weary of answering questions like, "Will you go into stockbroking?" and, "Will you apply to join the stock exchange?" Most are confining themselves to a guarded "We are watching the situation carefully".

But the questions are highly pertinent. The changes at the stock exchange will give the clearers a chance to move into one of the few corners of the financial services industry from which they are still excluded. And as major customers of the exchange, they have a direct interest in the abolition of fixed-rate commissions.

The truth of the matter is that banks are hatching plans, some of them quite ambitious. They reason that reform will enable outsiders to participate directly in the exchange, and that if this happens the banks should be there. Privately, some clearers say that they have already had serious talks with stockbrokers with a view to buying into their firms up to the 29.9 per cent now permitted by stock exchange rules.

At this stage these moves are largely defensive. "We are making sure we get our foot in the door" said one banker, pointing not just to domestic competition but foreign too. Security Pacific, the large California bank, set a precedent last year by taking an interest in Hoare Govett, clearly with an eye to raising that stake when the rules are relaxed. And as a pre-emptive move, it was not too expensive: £8.1m ($12.15m).

In the long run, though, the clearers would have to justify a diversification into stockbroking with more solid reasoning. Sir Donald Barron, the chairman of Midland Bank, earlier this summer affirmed his interest in the stock exchange and said that his bank saw its role as provider of a wide range of financial services.

In the U.S. a pattern of sorts is being set by commercial banks who have bought discount brokers and begun to offer all-in-one accounts combining stockbroking, current accounts, overdrafts and credit cards. While the British banks seem to be in no hurry to go this far, there is clearly scope for the clearers to use their huge branch networks and staff to greater effect by channeling more services through them. By owning their own stockbroker they could also save on commissions and streamline procedures. At the moment a big bank like Barclays uses over 30 stockbrokers.

In a broader context, there is also a strong rationale for linking stockbrokers, who are mostly small and lightly capitalised, with big institutions in order to create groupings large enough to withstand the greatly increased competition that reform will unleash. Many stockbrokers already complain that they lack the capital to do the volume of business they want.

This rationale has also been used to persuade the banks that they have a patriotic duty to keep the stock exchange British by rescuing stockbrokers from the predations of vast and ambitious Wall Street and Japanese firms.

While stockbrokers might welcome an approach from a bank, their peers would probably be cooler about actually admitting one to the stock exchange. Membership of this important City institution would clearly be an incentive for a bank to buy a stockbroker. But a stock exchange source said this week that the present membership would almost certainly reject a bank applicant.

But as a senior clearing banker said, the goal of diversification would ultimately have to be profit, and the stockbroking business is notorious for its ups and downs.

The riskiness of the business also raises questions as to the prudence of banks associating themselves too closely with it. Although clearing banks would initially only be able to own a minority stake, they would have a much larger moral obligation. "We could never walk away if the firm got into trouble," the clearing banker said.

The Bank of England is alive to these concerns, of course. Mr J. S. Fforde, an adviser to the Governor, told a central bankers' conference earlier this year that the closer association of banks and stockbrokers "would clearly have supervisory implications, in particular with respect to the assessment of capital resources and managerial skills that would be necessary for a bank undertaking such business."

The implication is that banks entering stockbroking should have higher capital ratios, that is, a stronger capital base, than those which do not. This would add to the cost of being in the stockbroking business. There have also been suggestions that banks should create a special subsidiary for their stockbroking ventures to insulate the rest of the bank from risk and avoid conflicts of interest. This is the solution proposed in the U.S., where the Reagan Administration has put forward legislation that would allow banks to move further into the securities business.

However, even if banks hold back from becoming stockbrokers, the stock exchange reforms will affect them in other ways, mainly as users. Currently, the business they introduce accounts for 10–12 per cent of the exchange's total turnover. Since much of this consists of small orders carrying higher commissions, the banks actually account for a greater share than that of stockbrokers' earnings, so their clout is substantial.

The abolition of fixed-rate commissions should greatly reduce the banks' cost of doing business on the exchange. It will also give them greater scope to practice "aggregation," the lucrative process whereby they lump together a lot of small branch orders (charging the full retail commission to their customers) and execute the business for lower wholesale fees.

The banks also pay a fee to join a register of stock exchange agents, which entitles then to a share of the commission on business they bring in. One big clearer disclosed this week that it earns $1m a year this way. It is not clear what would happen to the register once the fixed-rate commission went, but it would probably be overtaken by the private negotiation of fees between banks and their brokers.

The earliest victims could well be the small country brokers through whom bank branch managers currently channel some business for local reasons.

They are unlikely to be able to compete with the huge discounts that banks are expected to negotiate with the big City brokers.

Nor is it clear what status a stock-broker would have in the event of takeover by a bank. In the cases of Security Pacific with Hoare Govett and RIT & Northern with Kitcat & Aitken (the only other instances of an outsider buying into a stockbroker), the investing groups have both pledged not to direct their business exclusively through their affiliates. But they only own 29.9 per cent of them. What if they became wholly owned?

There is a strong likelihood that banks will move fairly quickly, possibly within a year or so, to gain a foothold in this potential new market if only to anticipate the competition. What is less clear, though, is whether the returns and the convenience will be great enough to offset the cost and complications of entering a business that is markedly different from the clearers' traditional pursuits.

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close

Continued from Page 33

S–S–S · T–T–T · U–U–U · V–V–V · W–W–W · X–Y–Z

NEW YORK CLOSING PRICES

Continued from Page 33

CANADA

(Closing Prices) Stock | Sept 28 | Vers.

Texaco (Canada)	38¾	– ½
Thomson News A	38¼	–
Toronto Dom Bank	18⅝	–
Transalta A	20⅝	–
Trans. Can. Pipe	28½	–
Walker Hiram	25⅝	–
Westcoast Trans	15	– ⅛
Weston (Geo)	62	–

AUSTRIA

Sept. 28	Price Sch%	+ or —
Creditanstalt	211	....
Goesser	325	+5
Interunfall	405	....
Landerbank	211	—1
Perimooser	345	....
Steyr Daimler	162	....
Veitscher Mag	206	—2

BELGIUM/LUXEMBOURG

Sept. 28	Price Frs.	+ or —
ARBED	1,364	—58
Banq Int A Lux	4,650	....
Bekaert B	2,890	+10
Ciment BR	2,055	—10
Cockerill	160	—2
Delhaize	4,680	+25
EBES	2,390	—25
Electrobel	6,360	—10
Fabrique Nat	2,530	—10
G.B.L. Inno	2,960	—35
FBL (Brux)	2,340	—5
Gevaert	2,500	+5
Hoboken	4,780	....
Intercom	1,840	—5
Kredietbank	6,390	—10
Pan Hldgs.	9,150	....
Petrofina	5,980	....
Royale Belge	7,240	+80
Soc. Gen. Banq	2,875	—5
Soc. Gen. Belge	1,905	....
Sofina	6,200	—10
Solvay	3,275	+10
Traction Elect	3,390	—10
UCB	3,980	—20
Vielle Mont	3,480	—20

DENMARK

Sept. 28	Price Knr %	+ or —
Aarhus Olie	495	....
Andelsbanken	305	....
Baltica Skand	535	+5
CopHandelsbank	281	—1
D. Sukkerfab	785	—7
Danske Bank	303	+1
East Asiatic	176	—10
Forende Brygg	1,278	....
Forende Damp	190	—15
GNT Hldg	525	—30
I.S.S.B.	660	....
Jyske Bank	648	....
Novo Ind	3,375	....
Privatbanken	300	+1
Provinsbanken	300	+1
Smidth (Fl)	265	+7
Sophus Berend	975	....
Superfos	337	+6

FRANCE

Sept. 28	Price Frs.	+ or —
Emprunt 4½% 1973	1,871	—4
Emprunt 7% 1973	9999	—9
CNE 3%	3,010	....
Air Liquide	473.5	—3.5
BIC	673	....
Bouygues	717	+6
BSN Gervais	2,035	—15
CIT-Alcatel	1,325	—13
Carrefour	1,341	—24
Club Mediter'n	673	+4
CFAO	535	—5
Cie Bancaire	325	—0.1
Colimeg	178	—0.2
Creusot Loire	65.8	—3.8
Darty	673	—1
Dumez	918	—6
Eaux (Cie Gen)	380	....
Elf-Aquitaine	183.5	—0.1
Gen. Occidental	668	+8
Imetal	71.4	—0.1
Lafarge Coppee	290	—3.5
L'oreal	1,887	+7
Legrand	1,912	+7
Maisons Phenix	391	—2.9
Matra	1,078	—21
Michelin B	814	—16
Midi (Cie)	1,182	—20
Moet-Hennessy	1,273	—7
Moulinex	89	....
Nord Est	54.9	—0.6
Pernod Ricard	810	+5
Perrier	382.9	+12.9
Petroles PB	156.2	—2.3
Peugeot-SA	214	—5.9
Poclain	84.5	—3.3
Printemps Au	112.5	—0.5
Radiotech	416	—7
Redoute	1,145	+5
Roussel-Uclaf	549	—6
Schneider	123.5	—7.5
Sefimeg	251	+1
Skis Rossignol	1,145	+5
Telemech Elect	1,175	....
Thompson (CSF)	183	+3.1
Valeo	279.5	—0.5

GERMANY

Sept. 28	Price Dm.	+ or —
AEG-Telef	84.8	+2.4
Allianz Vers	647	—2
BASF	150.4	+0.1
Bayer	150.5	....
Bayer-Hypo	262	+1
Bayer-Verein	318	—2
BHF-Bank	2777	—1.5
BMW	383	+0.5
Brown Boveri	218	+1
Commerzbank	171.5	....
Conti Gummi	112	+1.6
Daimler-Benz	579.5	+1.5
Degussa	355	—0.5
Demag	150	....
D'sche Babcock	182	+3.5
Deutsche Bank	309	—1
Dresdner Bank	173	—0.4
GHH	144	+3
Hochtief	455	5
Hoechst	156.5	+0.5
Hoesch Werke	91.8	+3.3
Holzmann(P)	425	....
Horten	155	—2
Kali und Salz	212	+0.5
Karstadt	259	+0.5
Kaufhof	241	+1
KHD	251.5	+0.5
Kloeckner	58.5	—0.6
Krupp	77	—1
Linde	387	—3
Lufthansa	194	—0.5
MAN	146	+3
Mannesmann	137	+1.3
Mercedes Hld	500	+4
Metallgesell	195	—1
Mueuch Rueck	803	—2
Preussag	268	+1
Rhein West Elect	168.5	—0.5
Rosenthal	301	....
Schering	341	....
Siemens	345.5	+1
Thyssen	73.7	+0.4
Varta	168	—1
Veba	170.4	+1.8
V.E.W.	118.5	+0.5
Verein-West	311	....
Volkswagen	218.5	+0.5

ITALY

Sept. 28	Price Lire	+ or —
Banca Com'le	28,800	+200
Bastogi-IRBS	209	+5
Centrale	1,731	+1
Credito Varesino	4,200	—110
Fiat	2,999	—31
Finsider	45	....
Generale (Assic)	145,000	+800
Invest	2,799	—30
Italcementi	46,380	—120
Montedison	198	....
Olivetti	3,260	—35
Pirelli Co	2,680	+25
Pire li Spa.	1,545	....
Snia Viscosa	1,120	—5
Toro Assic	11,400	—90
do. Pref	8,840	—60

NETHERLANDS

Sept 28	Price Fls.	+ or —
ACF Holding	162	+1
Ahold	180.7	+0.2
AKZO	80.2	—0.6
ABN	370	—1
AMEV	150.4	....
AMRO	61.9	—0.3
Bredero Cert	180.8	+0.8
Boskalis Westm	47.5	—0.2
Buhrmann-Tet	49.0	—0.3
Caland Hldgs	34.8	—0.2
Credit Lyon'is Bk	45.3	+0.3
Elsevier-NDU nv	402	—3
Ennia	159.0	—1.5
EuroCom Tst	102	....
Gist.-Brocades	164.5	—1.5
Heineken	134.2	+1.8
Hoogovens	35.8	+0.3
Hunter Douglas	18.2	—0.6
Int-Muller	27.3	+0.1
KLM	143.0	—1.2
Naarden Intl	43.5	—0.5
Nat Ned Cert	170.8	+0.5
Ned. Credit Bank	32.8	—0.2
Ned Mid Bank	154.5	—1.0
Nedlloyd	94.8	+0.8
Oce Grinten	213	—1
Ommeren (Van)	30.0	—0.5
Pakhoed	57.8	—1.0
Philips	47.2	—0.5
Rijn-Scheide	3.6	—0.1
Robeco	321.0	—0.5
Rodamco	127.6	....
Rolinco	310.5	—0.5
Rorento	195.8	+0.8
Royal Dutch	137.4	—1.1
Unilever	231.0	+0.8
VMF Stork	76.8	+2.7
VNU	116.3	—0.7
West Utr Bank	104.3	....

NORWAY

Sept. 28	Price Kroner	+ or —
Bergens Bank	127.5	+2.5
Borregaard	165.0	+2.5
Christiania Bk	130	+1
Creditbank	141	—1
Elkem	113.5	—0.5
Norsk Data	267	—8
Norsk Hydro	532	—6
Storebrand	176	—2

SPAIN

Sept. 28	Price Pesetas	+ or —
Bco Bilbao	242	....
Bco Central	258	—2
Bco Exterior	207	+2
Bco Hispano	202	—2
Bco Santander	236	....
Bco Vizcaya	297	....
Dragados	132	+2
Hidrola	46.5	....
Iberduero	39.5	....
Petroleos	89.0	—0.5
Telefonica	86.7	+0.7

SWEDEN

Sept. 28	Price Krono	+ or —
AGA	347	+2
Alfa-Laval	283	—5
ASEA (Free)	380	—4
Astra (Free)	685	—5
Atlas Copco	112	—2
Boliden	425	—15
Cardo	430	+3
Cellulosa (Free)	695	....
Electrolux B	230	—4
Ericsson	445	—15
Esselte (Free)	310	—5
Fagersta	400	....
Mo Och Domsjo	335	....
Pharmacia (Free)	440	....
Saab-Skania	246	—2
Sandvik B (Free)	345	+5
Skandia	330	—10
Skan Enskilda	305	—5
SKF B	161	....
St. Kopparberg	565	....
Sven Handelsbn	180	+1
Swedish Match	236	—3
Volvo B (Free)	438	—6

SWITZERLAND

Sept. 28	Price Frs.	+ or —
Alusuisse	760	—12
Bank Leu	4,200	....
Brown Boveri	1,190	—30
Ciba-Geigy	1,955	—10
do. (Part Certs)	1,610	....
Credit Suisse	2,120	—15
Elektrowatt	2,910	....
Fisher (Geo.)	610	—15
Genevoise	3,500	+100
Hoff-RochePtCts	89,250	–1,000
Hoff-Roche 1/10	8,900	—100
Jacobs Suchard	6,000	+25
Jelmoli	1,670	—10
Landis & Gyr	1,385	....
Nestle	3,980	....
Oer-Buehrle	1,238	+5
Pirelli	259	+1
Sandoz Br	6,500	—75
Sandoz (PtCts)	1,025	—5
Schindler (PtCts)	465	....
Swissair	838	—14
Swiss Bank	301	—5
Swiss Reinsce	6,700	—50
Swiss Volksbk	1,385	—5
Union Bank	3,150	—10
Winterthur	2,775	+15
Zurich Ins	16,375	....

AUSTRALIA

Sept. 28	Price Aust. $	+ or —
ANZ Group	5.36	—0.04
Acrow Aust	1.25	....
A.O.D.	1.00	—0.01
Ampol Pet.	1.88	+0.05
Aust Cons Ind	1.60	+0.04
Aust. Guarant	2.45	....
Aust. Nat. Inds	2.75	+0.05
Aust. Paper	2.23	—0.04
Bond Hldgs	1.43	....
Boral	5.30	+0.08
B'ville Copper	2.60	—0.05
Brambles Inds	2.9	....
Bridge Oil	3.3	....
BHP	12.65	+0.05
CRA	5.74	—0.12
CSR	4.07	—0.11
Carlton & Utd	3.00	—0.08
Castlemaine	4.1	....
Coles (G.J.)	3.46	+0.05
Comalco	3.1	....
Consolidated Pet	0.50	—0.02
Costain	1.45	—0.05
Dunlop	1.4	....
E.Z. Ind	6.10	+0.18
Elders IXL	4.40	+0.05
Energy Res	1.80	+0.02
Gen Prop Trust	1.85	....
Griffin Coal	6.5	....
Hardie (J.)	4.05	—0.05
Hartogen Energy	3.00	—0.05
Harald W'y Times	3.00	+0.07
ICI Aust.	1.97	....
Jimb'lana (50cFP)	0.25	....
Kia Ora Gold	0.25	—0.02
Lend Lease	4.95	+0.10
MIM	4.02	—0.16
Mayne Nickless	2.92	+0.02
Meekatharra	1.45	+0.05
Myer Emp	1.6	....
Nat.Com.Bk. Ast.	3.34	+0.04
News	2.4	....
Nicholas Kiwi	2.70	—0.02
North Bkn Hill	3.40	—0.05
Oakbridge	1.26	—0.04
Otter Expl	0.90	—0.02
Pancon	1.68	—0.05
Pioneer Conc	1.78	....
Reckitt & Coln	2.35	....
Repco	1.18	—0.01
Santos	8.10	—0.14
Smith (H.)	4	....
Southland Min'g	0.32	—0.02
Spargos Expl	0.55	—0.05
Thos. Natwide	1.90	—0.02
Tooth	4.3	....
UMAL Cons	2.30	+0.1
Vamgas	5.75	—0.15
Western Mining	4.80	—0.02
Westpac	3.35	....
Woodside Petrol	1.42	—0.03
Woolworths	2.5	....
Wormald Intl	3.05	....

HONG KONG

Sept. 28	Price H.K.$	+ or —
Bank East Asia	19.80	—0.3
Carrian Invest	0.87	....
Cheung Kong	6.60	—0.2
China Light	11.60	—0.4
Hang Lung Devel	2.10	....
Hang Seng Bank	33	—1
HK Electric	4.92	—0.05
HK Kowloon Wh.	3.12	—0.15
HK Land	2.70	—0.15
HK Shanghai Bk.	6.85xd	—0.2
HK Telephone	29.10	+0.1
Hutchison Wpa	9.90	—0.5
Jardine Math	10	—0.4
New World Dev	2.32	—0.1
Orient O'seas	2.45	—0.1
O'seas Trust Bk.	2.85	—0.2
SKH Props	4.75	—0.17
Swire Pac A	12.30	....
Wheel'k Mard A	2.75	—0.07
Wheel'k M'time	1.90	....
World Int. Holdgs	1.22	—0.05

JAPAN

Sept. 28	Price Yen	+ or —
Ajinomoto	1,040	—10
Alps Electric	2,510	—140
Amada	818	—5
Asahi Chem	400	+2
Asahi Glass	630	—4
Bridgeston	486	+3
Canon	1,440	—10
Casio Comp	1,580	+30
Chugai Pharm	1,150	—40
Citizen	686	—10
Daiei	622	+2
Dai Nippon Ptg	865	+21
Daiwa House	506	—2
Ebara	327	—2
Eisai	1,450	—40
Fanuc	7,880	+80
Fuji Bank	500	+2
Fuji Film	2,400	—10
Fujisawa	911	—9
Fujitsu	1,440	—20
Green Cross	1,750	....
Hasegawa	460	....
Heiwa Real Est.	679	—6
Hitachi	919	+9
Hitachi Credit	1,280	+30
Honda	947	+29
House Food	940	....
Hoya	1,220	—20
Itoh (C)	318	—1
Ito-Yokado	1,410	+10
Iwatsu	1,680	+70
JACCS	355	+5
JAL	2,300	—50
Jusco	770	....
Kajima	321	+1
Kao Soap	610	+10
Kashiyama	640	....
Kirin	427	+17
Kokuyo	837	+7
Komatsu	500	—1

JAPAN (continued)

Sept. 28	Price Yen	+ or —
Tokyu Corp	313	+3
Toppan Print	573	+9
Toray	431	+1
Toshiba	362xa	+5
TOTO	468	—1
Toyo Seikan	615	—4
Toyota Motor	1,280	+10
Victor	3,090	+60
Wacoal	566	—2
Yamaha	460	+10
Yamanouchi	1,700	—10
Yamasaki	840	+59
Yasuda Fire	228	....
Yokogawa	450	+1

SINGAPORE

Sept. 28	Price $	+ or —
Boustead Bhd	2.92	—0.07
Cold Storage	6.50	+0.05
DBS	9.8	....
Fraser & Neave	6.25	—0.05
Genting	4.76	+0.02
Haw Par	2.34	—0.44
Inchcape Bhd	3.06	....
Malay Banking	9.65	—0.1
Malay Brew	5.9	....
OCBC	10.8	....
OUB	4.38	—0.1
Sime Darby	2.37	+0.01
Straits St'mship	1.93	....
Straights Trdg	5.6	....
UOB	5.40	—0.05

SOUTH AFRICA

Sept. 28	Price Rand	+ or —
Abercom	2.85	....
AE & Cl	9.5	....
Anglo Am Coal	27.75	....
Anglo Am	23	....
Anglo Am Gold	135.5	+0.5
Barclays Bank	17.35	+0.10
Barlow Rand	13.3	....
Buffels	62.35	+0.35
CNA Gallo	2.95	....
Currie Finance	4.3	+0.1
De Beers	9.97	+0.04
Driefontein	36.75	—0.05
FS Geduld	49	—1
Gold Fields S.A.	136	—0.5
Highveld Steel	5.25	—0.05
Nedbank	14.5	—0.1
OK Bazaars	24.25	—0.10
Proten Hldgs	3.05	+0.05
Rembrant	24	—0.5
Rennies	13.95	—0.05
Rustenburg	11.9	—0.1
Sage Hldgs	6.80	—0.05
SA Brews	7.7	....
Smith (C.G.)	23.25	....
Tongaat Huletts	9.1	....
Unisec	5.80	....

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK–DOW JONES

	Sept. 28	Sept. 27	Sept. 26	Sept. 23	1983 High	1983 Low
AUSTRALIA All Ord. (1/1/80)	716.3	718.6	720.3	708.0	736.7 (12/9)	487.9 (4/1)
Metals & Minls. (1/1/80)	569.5	579.1	582.9	571.1	814.2 (6/3)	411.8 (4/1)

(**) Saturday Sept 24: Japan Dow 9,314.00, TSE 687.66. Base values of all indices are 100 except Australia All Ordinary and Metals—500, NYSE All Common—50; Standard and Poors—10; and Toronto—1,000, the last named based on 1975. †Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

Follow the Leader

Do you want to reach the top international financial specialists in European industry?

In mid 1982, the Financial Times, The Economist, and Euromoney commissioned Research Services Ltd. to conduct a study amongst these senior international financial specialists in order to discover what they read.

The published report is now available, and the results show that the publication most widely read by this prime target group was the Financial Times. By comparison, the table below shows the readership figures for some of the other 40 publications that were covered by the research.

	Readership %
FINANCIAL TIMES	42
F.A.Z.	24
HANDELSBLATT	21
LE MONDE	11
I.H.T.	9
NEUE ZURCHER ZEITUNG	8
WALL STREET JOURNAL	6
BUSINESS WEEK	24
ECONOMIST	22
TIME	13
NEWSWEEK	11
INSTITUTIONAL INVESTOR (INT.ED)	21
EUROMONEY	17

For more information about this research, or the position of the F.T. in the European market place, please contact your local Financial Times representative or the Market Research Department of the Financial Times.

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LONDON STOCK EXCHANGE

MARKET REPORT

Equity leaders rally from dull start in thin trading

Index 2.9 up at 696.9—Gilts mixed

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Sept 19	Sept 29	Sept 30	Oct 10
Oct 3	Oct 13	Oct 14	Oct 24
Oct 17	Oct 27	Oct 28	Nov 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

In the wake of Tuesday's weakness, quiet and nervous conditions prevailed in London equity markets from the start of trading yesterday when dealers continued to fear possible repercussions of the confirmed failure of C. and R. Pastor Securities (Panama).

The depression soon lifted, however, and leading blue chips rallied from lower opening levels on light buying in the belief that markets might perk up now that recent uncertainties have been pinpointed. The volume of business remained thin with talk of fund-raising again a major inhibiting factor. The FT 30-share index, gave up 3.2 further at the first, 10.00 am, calculation, but improved steadily as the day progressed and the close was 2.9 up at the day's best of 696.9. Rises outnumbered falls in the index constituents, among which Bowater weakened on renewed worries about a possible rights issue.

Elsewhere in the market, features were scarce. Speculation concerning Allianz's near-30 per cent stake in the group led to a fair amount of speculative activity in Eagle Star, which touched 488p before closing 16 better on balance at 480p following a denial, while North British Properties jumped on news of a bid approach from Sun Life. BP New shares performed well, improving 4 to 210p, after 212p, while the old shares ended the same amount up at 440p, after 442p.

Still awaiting an expected ½-point cut in clearing bank base lending rates, gilts marked time ahead of today's applications for the £1bn tap, Treasury 9¾ per cent Convertible 1988 at a minimum tender price of £96½; dealings are due to start tomorrow. Up to ½ better initially, short-dated stocks closed on an irregular note, while mediums were slightly harder for choice with long-dated issues usually ending a shade easier.

Fresh nervous selling triggered by this week's collapse of a small Hong Kong bank lowered Standard Chartered to 405p before buyers ventured in and brought a close of only 3 down on balance at 417p. Other Banking features were scarce but embraced Grindlays, which rose to 153p before settling a net 6 up at 148p. Bank of Scotland made further upward progress to a peak for the year of 533p.

Insurances pursued contrasting courses with Composite General Accident 5 higher at 430p, but Life concerns Britannic, 420p, and Equity and Law, 690p, down 6 and 8 respectively. Among Brokers, Willis Faber continued strongly, helped by the joint U.S. venture, to close 8 up at 575p.

Still buoyed by the prospect of an increase in beer prices, leading Breweries took up a firmer stance despite the continued absence of quality investment support. Bass rallied 5 to 325p and Allied-Lyons 3 to 144p, while renewed speculative demand lifted Scottish and Newcastle a couple of pence to 94½p. Elsewhere, buyers returned for *Distillers*, which advanced 6 to 216p.

Barratt Developments, a particularly dull market recently, staged a small technical rally and hardened 4 to 200p but other leading Building issues barely stirred. Elsewhere, Manders hardened 2 to 143p on the satisfactory interim results, but Tilbury Group shed that much to 90p after recent firmness ahead of yesterday's interim announcement. *Ben Bailey, a good market* in front of the preliminary results, touched 30p on the announcement before profit-taking left the close unchanged on balance at 28p. Walter Lawrence attracted occasional interest and firmed 4 to 210p, but Conder International shed 6 to 42p on lack of support.

Revived investment demand left ICI 4 dearer at 528p, but other Chemicals made another poor showing. Brent Chemicals International shed 8 for a two-day drop of 21 to 88p following comment on the interim results, while Laporte, despite a broker's recommendation, gave up 5 to 283p, *while* Amersham International shed 5 to a 1983 low of 223p.

A continued lack of investment incentive resulted in another lacklustre session among leading Stores, which closed a shade easier for choice. Business among secondary issues also left much to be desired. Grattan firmed a couple of pence to 42p in front of today's half-timer, while recovery prospects, boosted by a Press mention, lifted Combined English a penny to 41p. Moss Bros announced substantially increased interim profits, but the shares, a rising market recently, reacted to profit-taking to close 7 off at 248p.

Thorn EMI move up

Leading Electricals adopted a steadier stance with Thorn EMI moving 10 higher to 602p and Standard Telephone gaining 6 to 270p. GEC moved away from their year's low to close 4 better at 192p, while International Signal ended similarly dearer at 182p. BSR regained 10 to 150p as Hong Kong worries subsided, but Cable and Wireless remained friendless at 432p, down 5. Profit-taking brought Security Tag back 30 to 510p, while Bowthorpe shed 6 at 277p. Responding to the increased annual profits, Emess Lighting added 3 at 235p.

Engineerings did not benefit from the steadier tone. Leading stocks were either unchanged or marginally easier while secondary issues followed an irregular course. Vosper rose to 270p prior to closing a net 25 up at 265p, still on EEC compensation hopes, while revived speculative interest took Belgrave (Blackheath) 5 higher to 80p. S. W. Farmer picked up 4 at 122p, but Desoutter, 85p, and Williams, 102p, gave up 5 apiece. Interim trading statements left Aurora a penny better at 12p and James Neill 2 dearer at 32p. The £2m contract for design and testing a launching device for ALARM missiles saw ML Holdings improve 3 to 258p, but the announcement that the board was seeking increased borrowing powers caused John Brown to ease the turn to 16p.

Among Food Retailers, J. Sainsbury eased 4 to 430p, after 428p; the company yesterday announced its first-ever U.S. acquisition by buying a 25 per cent stake in Shaws, a New England food chain. The chairman's cheerful comments at a Press conference made no impression on Associated Dairies, steady at 178p. Tesco, which recently led the sector higher, encountered profit-taking and eased 2 to 168p. Elsewhere, Canvermoor, dealt in in the Unlisted Securities Market, put on 7 to 132p following a newsletter tip, while Home Farm Products hardened a penny to 85p on the increased preliminary profits.

Metal Box rise

Ladbroke found support and firmed 2 to 205p with the Warrants 4 up at 160p. Kennedy Brookes, which recently launched an agreed offer for Wheeler's Restaurants, eased 4 to 238p, but Strikes Restaurants attracted further buying in front of next Monday's interim results and put on 3 for a two-day gain of 6 to 74p.

Miscellaneous Industrial leaders were undecided and Beecham softened 3 to a year's low of 315p, while Bowater remained unsettled by cash-raising possibilities and finished 4 lower at 194p. Metal Box, on the other hand, recovered 10 to 252p. Glaxo were the same amount dearer at 785p and Rank Organisation regained 5 at 180p. Elsewhere, speculative buying took Dollands up 25 to 310p, but Biddle dropped 25 for a two-day fall of 75 to 125p on the poor first-half results. Cornell gave up 6 to 232p, while profit-taking after recent strength brought Dalgety back 4 to 396p. Following *Pritchard Services' claim of control*, Spring Grove moved up after hours to 49p for a net gain of 5½; Sunlight Services, which has made a higher bid for Spring Grove, immediately declared the claim to be incorrect. Elsewhere, Press mention helped Low and Bonar to rise 4 to 116p, but half-year trading results left James Wilkes 5 down at 215p.

Profit-taking in the wake of the interim results left Riley Leisure 4 cheaper at 191p, after 197p.

Link House, down 10 more at 453p, continued to react to scattered selling following the annual results announced earlier this week. Associated Book Publishers rose to 288p before reverting to be unchanged at 285p following the marginally increased interim earnings, while DRG revealed first-half profits above market expectations and touched a 1983 peak of 120p, before settling for a net gain of a penny at 118p.

Sun Life Assurance's bid approach to North British Properties, *the company formed as* part of a reconstruction of Bellway Holdings in late 1978, added much-needed colour to a Property sector otherwise bereft of features. On the announcement, North British touched 155p — well above the previous high for the year of 124p — before settling a net 59 up at 152p. Sun Life eased 5 to 533p. Elsewhere, Thames Investment put on 5 to 62p following the resignation of a director, while Wingate Property, dealt in in the Unlisted Securities Market, firmed 4 to 104p despite the lower interim profits. Speculative counter Edenspring met further profit-taking and reacted to 12p before closing a penny off at 13p. The leaders, a shade easier at first, picked up to close with small gains.

Press-inspired overnight speculation that the West German concern Allianz was about to dispose of its near-30 per cent holding in Eagle Star and bid for *Britannia Arrow found scant* credence in early trading and BA closed at the overnight level of 95p. Matters were further complicated by the announcement that BA has disposed of its 10.26 per cent stake in London United Investments, 2 cheaper at 173p. Speculators showed revived interest in Eagle Star after the official close with the shares jumping to a 1983 peak of 488p before settling for a net gain of *19 at 483p after a reported denial* of share sale intentions from Allianz. Elsewhere in Financials, Akroyd and Smithers advanced 10 to 375p with sentiment buoyed by news that Mercantile House is prepared to acquire a sizeable holding in Stock Exchange member firms if the current rules alter; A and S is generally regarded as a prime candidate.

BP firm

Further support was forthcoming for BP issues, the new shares touching 212p before settling a net 4 up at 210p and the old shares also firming 4, to 440p, after 442p. Shell, however, shed that much, to 606p, on technical influences. Elsewhere, Burmah revived with a gain of 3 to 170p, while Tricentrol, down to 216p initially, picked up and ended 2 dearer on balance at 222p on revived rumours that a stake was being built up in preparation for a bid. Irish exploration issues continued to rally, Atlantic Resources rising 25 to 470p and Eglington 5 to 230p.

Business in Overseas Traders again centred on Inchcape, which fell 18 for a two-day fall of 32 at 280p on the disappointing interim results.

Among Plantations, Lawrie improved 10 to 615p after announcing a 35 per cent increase in preliminary profits.

Quiet Mines

A much quieter mining market than of late showed a majority of small falls following a lack of interest in precious metals and another uninspiring performance by base-metals.

Lack of interest prompted a general drift in South African Golds and related issues as bullion held around the $413 an ounce level for most of the day prior to closing 75 cents up at $413.375.

The majority of the leading heavyweights ended with falls in the region of ¼, as in Winkelhaak, £30¾, while the cheaper-priced issues showed ERGO 11 off at 507p.

In South African financials, Gencor eased ¼ to £17¾ and Anglovaal a point to £40 but Gold Fields of South Africa hardened ½ to £82. De Beers held around 596p.

Weak base-metal markets, in particular copper, which fell to nine-months lows on the London Metal Exchange yesterday, encouraged renewed selling of London's Rio Tinto-Zinc which dipped to 623p before closing a net 5 off at 625p — a two-day loss of 13. Hampton Areas gave up 4 to 230p and Charter Consolidated 3 to 245p.

Leading Australians reflected the downturn in metal prices and a weak performance by overnight Sydney and Melbourne markets. CRA and MIM fell 8 apiece to 340p and 240p respectively. Peko-Wallsend gave up a like amount to 428p and *Oakbridge lost 3 to 72p.*

Golds met persistent selling which lowered Gold Mines of Kalgoorlie 15 to 710p. The speculative golds remained on offer and falls of around 3 were common to Allstate, 48p, Carr Boyd, 83p, Otter, 52p, Sons of Gwalia, 53p, and United Goldfields, 48p.

Business in Traded Options remained uninspiring with 1,963 contracts done — much the same as the previous day. ICI attracted 253 calls with the October 460s again proving *popular with 200 trades struck.* Demand revived for Lonrho, with the November 100 calls attracting 376 trades and the November 110 puts accounting for 100. Today sees the introduction of four new classes—Bass, Hanson Trust, Tesco, and De Beers Deferred, the last-mentioned to be dealt in, in U.S. dollars.

FINANCIAL TIMES STOCK INDICES

	Sept. 28	Sept. 27	Sept. 26	Sept. 23	Sept. 22	Sept. 21	year ago
Government Secs. ...	82.07	82.13	82.43	82.17	81.81	81.83	79.95
Fixed Interest........	84.20	84.15	84.30	84.09	83.94	83.91	80.43
Industrial Ord.........	696.9	694.0	702.5	706.9	708.1	706.0	581.1
Gold Mines............	622.6	623.7	634.5	625.2	614.8	651.5	366.4
Ord. Div. Yield.........	4.81	4.84	4.78	4.76	4.83	4.86	4.91
Earnings, Yld.% (full)	9.56	9.61	9.50	9.46	9.53	9.59	10.86
P/E Ratio (net) (*).....	13.09	13.03	13.18	13.24	13.12	13.04	11.04
Total bargains.	19,007	21,349	20,785	19,773	18,909	19,436	20,132
Equity turnover £m.	—	181.81	207.01	194.876	192.25	194.34	169.54
Equity bargains.......	—	15,655	17,321	15,409	15,617	16,119	15,980
Shares traded (ml)...	—	111.2	126.3	122.5	117.8	117.2	133.7

10 am 690.8. 11 am 693.3. Noon 694.4. 1 pm 695.0. 2 pm 695.3. 3 pm 696.0.

Basic Govt. Secs. 18/1/26. Fixed Int. 1928. Industrial 1/7/35. Gold mines 12/10/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 12.31.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs...	83.60 (15/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.....	84.74 (15/6)	79.05 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord......	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	631.5 (28/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 27	Sept. 26
—Daily		
Gilt Edged Bargains...	168.5	169.1
Equities Bargains...	101.4	112.2
Value	367.5	418.4
5-day Avrge		
Gilt-Edged Bargains...	160.6	161.9
Equities Bargains ...	103.8	104.8
Value.........	392.3	386.1

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Sept 26	Oct 7	Dec 22	Jan 3
Oct 10	*Oct 21*	*Jan 5*	*Jan 16*
Oct 24	Nov 4	Jan 19	Jan 30

For rate indications see end of Share Information Service

Calls were arranged in Boots, Polly Peck, Wearwell, Tesco, GRA, *Barratt Developments*, BP, First National Finance, Tozer Kemsley and Millbourn, GEC, BSR, Woodside, Weeks Australia, Security Centres, Whitbread and Atlantic Resources. A put was done in Polly Peck, while doubles were arranged in Tozer Kemsley and Millbourn and BP.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BAT Industries	149	+3
BSR International ...	150	+10
BP (partly paid)	210	+4
DRG	118	+1
Distillers	216	+6
Eagle Star	483	+19
ICI	528	+4
Metal Box	252	+10
North Brit. Props.......	152	+59
Rank Organisation ...	180	+5
Shell Transport	606	−4
Thorn EMI	602	+10

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
BTR	13	540	−12
Brengreen	13	100	−4½
Dalgety	13	400	−10
Inchcape	13	298	−14
ICI	12	524	−4
Britannia Arrow	11	95	+7
Inter-City Inv. .	11	77	−3
Nth. Eng. Inds.	11	91	−4½
RTZ	11	630	−7
Unilever	11	820	+5
BP	10	436	−2
Cbl. & W'less	10	437	−13
C. Gold Fields	10	573	−4
GUS "A"	10	533	—

TR Energy lower

Lower pre-tax revenue on ordinary activities — £210,897 against £311,857—is reported by TR Energy for the year to June 30 1983. No dividend is again being paid.

Lord Remnant, chairman of the group, which manages investments in oil and gas industry, says the difficulties in the oil industry have been reflected in lower prices obtained for investments realised, and in lower balance sheet values of the portfolio.

Losses on realisations amounted to £432,000, and provisions against the balance sheet values *of the portfolio have increased* by £4.91m. He believes the company can look forward, with cautious optimism, to the end of the U.S. oversupply of gas within about 18 months, and which is important to the valation of a significant part of the company's assets.

After tax of £110,348 (£39,075), net revenue attributable was down from £272,782 to £100,549. Stated earnings per 25p share fell from 1.36p to 0.5p. At the year-end, shareholders' funds were lower at £13.96m compared with £19.4m.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

... and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. *† Effective issue price after scrip. † Formerly dealt in under special rule.* †† Dealt in under Rule 163 (3).

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (23)

COM'WEALTH & AFRICAN LOANS (1)
Australia 6pc '81-83

AMERICANS (2)
Brunswick Corp. Eaton Corp.

CANADIANS (1)
Bank of Nova Scotia

BANKS (1)
Bank of Scotland

ENGINEERING (2)
Chemring Vosper

FOODS (1)
Glass Glover

INDUSTRIALS (1)
Broken Hill Prop.

INSURANCE (1)
Eagle Star

MOTORS (1)
Honda Motor

PAPER (2)
Boase Massimi Poll. DRG

PROPERTY (1)
N. British Props.

SOUTH AFRICANS (1)
Unisec

TEXTILES (1)
Toray Inds.

TRUSTS (7)
Fleming Japanese Do. 8, G.T. Japan, Rights & Iss. Cap., Robeco Sub. Shares, Scot. Cities A, Merc. Trans. Trust

NEW LOWS (24)

BREWERS (1)
Boddingtons

BUILDINGS (3)
Douglas (Robt. M.) H.A.T. Galliford

CHEMICALS (2)
Amersham Internatl. Croda Internatl.

ENGINEERING (1)
Howden Group

FOODS (1)
Meat Trade Sup.

INDUSTRIALS (10)
Beecham, Biddle, Blundell-Permoglaze, Crest Nicholson, Datastream, *Jardine Matheson*, Johnson Matthey, Lond. & Liv'pool Tst., Mathesons Invs. 7¼pc Cv. 1987-92, Ryan Internatl.

PROPERTY (2)
Daon Dev. Peel Hldgs.

TEXTILES (1)
Corah

TRUSTS (1)
Henderson Admin.

OILS (1)
Palliser Internatl.

PLANTATIONS (1)
Lawrie Plants.

RISES AND FALLS YESTERDAY

British Funds	27	29	45
Corpns. Dom. & Foreign Bonds ...	8	4	60
Industrials	182	331	867
Financial & Props. ...	76	132	313
Oils	19	43	49
Plantations	2	1	18
Mines	21	75	70
Others	24	98	68
Totals	358	713	1,490

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Sept 28 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Sept 27 Index No.	Mon Sept 26 Index No.	Fri Sept 23 Index No.	Thur Sept 22 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (207)	448.62	+0.6	9.19	3.93	14.07	446.00	452.25	454.48	454.63	434.96
2	Building Materials (23)	427.63	+0.1	10.93	4.72	11.52	427.05	430.31	429.33	429.46	352.71
3	Contracting, Construction (30)	697.73	−0.2	13.14	5.13	9.53	698.86	707.50	704.51	711.56	650.91
4	Electricals (36)	1641.83	+1.3	8.04	2.31	16.18	1619.98	1642.24	1666.69	1671.76	1861.64
5	Engineering, Contractors (10)	444.25	−0.4	14.84	6.16	8.36	445.81	457.37	457.33	455.76	454.24
6	Mechanical Engineering (64)	194.65	−0.2	12.12	5.74	10.37	195.03	198.16	198.01	197.03	195.87
8	Metals and Metal Forming (10)	163.32	−1.0	11.59	7.18	10.43	164.90	167.63	168.73	168.59	136.73
9	Motors (18)	110.78	+0.1	—	4.65	—	110.67	112.98	112.73	112.73	74.95
10	Other Industrial Materials (16)	538.32	+0.6	5.64	4.35	23.56	535.03	544.74	540.61	534.47	349.49
21	CONSUMER GROUP (199)	431.97	+0.3	10.56	4.50	11.60	430.84	436.00	435.77	432.52	373.89
22	Brewers and Distillers (23)	440.28	+1.1	12.72	5.17	9.81	435.31	442.29	440.49	439.71	402.21
25	Food Manufacturing (22)	338.55	—	13.55	5.93	8.61	338.46	341.81	341.26	338.42	307.16
26	Food Retailing (13)	991.64	−0.5	7.32	2.57	17.63	996.73	1000.82	1001.24	990.36	795.99
27	Health and Household Products (8)	745.63	+0.2	5.99	2.76	19.80	743.96	754.40	759.64	757.67	586.43
29	Leisure (22)	565.22	+0.8	8.99	4.82	14.40	560.98	568.65	565.70	562.83	438.36
32	Newspapers, Publishing (15)	947.89	−0.4	9.05	5.02	13.31	951.66	962.34	969.83	969.84	539.47
33	Packaging and Paper (14)	184.27	+0.1	11.14	5.39	11.06	184.12	187.56	189.05	190.59	142.53
34	Stores (47)	392.71	−0.2	8.17	3.82	16.55	393.34	398.22	396.68	391.32	361.61
35	Textiles (22)	209.32	−0.3	11.93	5.52	10.01	209.87	211.50	211.32	208.80	170.25
36	Tobaccos (3)	429.05	+1.3	23.23	7.41	4.82	423.48	429.41	428.42	422.47	407.78
39	Other Consumer (10)	424.16	−1.0	5.74	4.85	—	428.59	428.89	427.28	425.98	294.59
41	OTHER GROUPS (79)	376.86	−0.1	8.45	4.56	14.94	377.07	382.15	381.70	383.45	265.16
42	Chemicals (15)	521.72	+0.4	8.67	4.85	15.10	519.51	524.63	524.51	527.68	332.74
44	Office Equipment (6)	109.60	+1.7	8.75	4.69	14.59	107.78	109.93	111.74	113.27	98.89
45	Shipping and Transport (15)	741.33	−0.5	7.09	5.48	19.77	745.09	756.39	754.39	751.74	536.18
46	Miscellaneous (43)	502.85	−0.6	8.54	4.05	14.03	505.72	513.64	511.78	513.92	374.04
49	INDUSTRIAL GROUP (485)	433.22	+0.3	9.78	4.32	12.77	431.94	437.40	437.90	436.58	378.88
51	Oils (15)	1025.87	—	10.97	5.82	11.06	1025.65	1039.27	1037.77	1032.48	690.17
59	500 SHARE INDEX	483.02	+0.3	10.00	4.59	12.42	481.75	487.98	488.31	486.65	404.53
61	FINANCIAL GROUP (123)	329.44	+0.3	—	5.81	—	328.37	331.79	331.98	328.51	258.96
62	Banks (6)	355.18	−0.1	24.18	7.18	4.51	355.35	360.18	359.02	354.66	259.54
63	Discount Houses (8)	315.01	+0.5	—	8.60	—	313.42	314.54	313.28	312.44	283.22
65	Insurance (Life) (9)	449.46	+0.2	—	4.94	—	448.70	453.87	453.15	453.29	384.34
66	Insurance (Composite) (10)	223.71	+1.0	—	6.86	—	221.41	222.74	224.44	220.64	162.63
67	Insurance Brokers (7)	552.80	+0.1	12.28	5.25	11.16	552.37	555.37	549.40	548.91	530.75
68	Merchant Banks (13)	192.18	−0.6	—	4.85	—	193.30	194.95	195.38	194.95	142.86
69	Property (53)	464.30	+0.6	6.06	4.04	22.13	461.54	466.82	464.82	460.38	405.38
70	Other Financial (17)	233.87	—	11.98	5.69	10.83	233.91	236.67	236.32	235.13	161.79
71	Investment Trusts (108)	440.53	−0.3	—	3.98	—	442.04	448.44	446.61	442.86	322.14
81	Mining Finance (4)	305.20	−0.6	7.99	4.78	15.53	307.00	310.15	313.04	314.42	213.00
91	Overseas Traders (15)	487.93	−1.4	7.38	7.66	20.77	495.06	505.19	497.94	493.76	361.57
99	ALL-SHARE INDEX (750)	446.11	+0.2	—	4.79	—	445.21	450.84	450.90	448.51	343.30

FIXED INTEREST

	PRICE INDICES	Wed Sept 28	Day's change %	Tues Sept 27	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.36	+0.05	117.30	—	8.44
2	5-15 years	130.42	+0.07	130.33	—	10.70
3	Over 15 years ...@	140.86	−0.06	140.95	—	10.29
4	Irredeemables	152.92	−0.25	153.30	—	8.90
5	All Stocks ...@	129.32	+0.03	129.29	—	9.86
6	Debentures and Loans	104.39	−0.23	104.63	—	8.36
7	Preference	77.44	—	77.27	—	5.71

	AVERAGE GROSS REDEMPTION YIELDS		Wed Sept 28	Tues Sept 27	Year ago (approx)
	British Government				
1	Low Coupons	5 years	9.83	9.82	8.81
2		15 years	10.00	10.00	10.26
3		25 years	9.70	9.69	10.45
4	Medium Coupons	5 years ...@	11.14	11.15	11.17
5		15 years ...@	10.80	10.79	11.25
6		25 years ...@	10.26	10.24	10.76
7	High Coupons	5 years	11.30	11.29	11.26
8		15 years	11.01	11.01	11.46
9		25 years	10.34	10.33	10.94
10	Irredeemables	†	9.72	9.70	10.53
11	Debs & Loans	5 years	12.05	12.00	12.55
12		15 years	11.95	11.91	12.55
13		25 years	11.88	11.85	12.55
14	Preference	†	12.61	12.64	13.30

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

@Corrected figures for September 27.

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 14,103

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Sept. 28 Total Contracts 1,965 Calls 1,366 Puts 597

* Underlying security price.

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BRITISH FUNDS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
102⅜	100½	Exch. 13½pc '83 ...	100½	–⅛	13.43	9.32
100⅞	98⅞	Exch. 10pc 1983 ...	100⅛	–⅛	9.99	9.11
99¼	96¼	Funding 5½pc '82-84‡‡	99⅛		5.55	8.14
101¼	99½	Exch. 11¼pc 1984 ...	100⅞	..	11.17	8.21
104⅝	100⅞	Exchequer 14pc 1984	102⅞		13.67	9.86
95¾	92½	Exch. 3pc 1984 ...	95¾	.	3.13	9.15
102⅞	100⅞	Treasury 12pc 1984	102⅜	..	11.73	9.47
107⅞	104⅞	Treasury 15pc 1985 ..	105⅞	.....	14.17	10.30
107	101⅛	Exch. 12pc Cnv. '85 ..	102¾	+⅛	11.68	9.96
92⅝	88⅝	Treasury 3pc 1985 ...	92¼	..	3.25	8.11
102½	99⅝	Treasury 11½pc 1985 ..	102⅜	–⅛	11.24	10.80
102	95	Treas 8¼pcCnv '85 ...	98⅞	...	8.89	9.66
103⅝	100⅛	Exch. 12¼pc 1985.	103⅛	–⅛	11.86	10.44
102⅝	99⅞	Exch 11¼pc '86 ...	102⅛	.	11.47	10.54
101⅛	97¼	Treas 10pc Cnv 1986	100¼	+⅛	9.98	9.87
88½	85⅝	Treasury 3pc 1986 ...	87⅛	–⅛	3.43	8.42
101⅞	97⅛	Exch. 10½pc Cv '86 ..	100⅛	+⅛	10.49	10.42
103⅞	100⅛	Treasury 12pc '86 ...	102⅜	.	11.70	10.84
95⅝	94⅜	Treasury 8¾pc '84-86‡‡	95⅝	..	8.89	10.32
114	103¼	Treas 12¼pc '86 Cnv.	109	+¼	11.24	8.57
109⅞	105⅛	Exch. 14pc 1986 ...	107⅞xd	+⅛	12.99	10.96
107¾	103⅝	Exch. 13¼pc 1987 ...	106⅛	+⅛	12.49	10.95
98⅞	95⅞	Tr 10¼pc Cv '87	98⅝	+⅛	10.42	10.82
84⅞	80¼	Exchequer 2½pc 1987	81⅞	...	3.06	8.84
100⅞	95⅞	Exch. 10½pc 1987 ...	99⅛xd	...	10.60	10.83
93¼	88⅛	Funding 6½pc '85-87‡‡	88⅞xd	...	7.31	10.28
21⅞	20	Treas 10pc '87 (£20pd)	20½	+⅛	10.26	10.83
86	80¼	Treasury 3pc 1987 ...	81⅝	–⅛	3.68	8.79
104⅝	99⅞	Treas 12pc 1987 ...	103⅛xd	+⅛	11.64	11.06
93¼	89⅝	Treasury 7¾pc '85-88‡‡	90⅝	..	8.58	10.55
101½	95½	Exch 10½pc '88 ...	98⅝	–⅛	10.65	10.86
—	—	Treas 9½pcCv88(£30pd)	£96½	...	10.10	10.72
81½	75¼	Transport 3pc '78-88	77½	...	3.87	8.90
		Five to Fifteen Years				
96¾	90¼	Treas. 9½pc '88 ...	93¾xd	.	10.06	10.97
104⅝	95¾	Treasury 11½pc 1989 ...	102¼	...	11.38	11.21
[illegible]						

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS
Public Board and Ind.

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
77½	71¾	Agric. Mt. 5pc '59-89	73xd		6.95	11.86
35¾	31¼	Met. Wtr. 3pc 'B'	35¾		8.03	10.62

LOANS—continued

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		Financial				
106½	96¼	Inv. in Ind. 10½pcUnLn 86	100½	+½	10.73	11.55
104	96½	Do. 11pc Uns. Ln. '88	100½		11.25	11.70
104½	97½	Do. 11¼pc Uns. Ln. '90	102	–½	11.93	12.10
106½	91½	Do. 12¾pc Un. Ln. 1992	104½xd	+¼	11.87	12.00
		Building Societies				
100⅛	99¼	N'wide 11⅞pc 3.10.83	100⅛	..	—	—
100	98	Do. 9⅞pc 31.10.83	100		9.94	9.39
100⅛	98	Do. 9⅞pc 28.11.83	100⅛xd	...	9.86	8.57
100½	99⅞	Do. 11¼pc 19.12.83	100¼xd	.	11.22	9.72
100⅞	99	Do. 11⅞pc 23.1.84	100½	.	11.81	9.88
100⅞	100	Do. 11⅞pc 13.2.84	100½	....	11.81	10.27
100⅝	99	Do. 11¼pc 19.3.84	100½xd	.	11.19	10.20
100⅞	99⅞	Do. 11¼pc 9.4.84 ...	100⅞xd	..	11.15	9.51
100¾	99½	Do. 10⅝% 30/4/84	100¼xd	..	10.61	9.39
100½	99⅝	Do. 10⅞% 29/5/84	100½	.	10.82	10.09
100½	99½	Do. 10⅞pc 18.6.84	100½	..	10.82	9.88
100½	99½	Do. 10⅝pc 9.7.84 ..	100½	..	10.51	9.98
100½	99¾	Do. 10⅞pc 30.7.84 .	100½	...	10.82	10.26

FOREIGN BONDS & RAILS

1983 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
15	8	Chinese 4½pc 1898	15	...	—	—
11	10	Do. 5pc 1912 ...	11	.	—	—
11	8	Do. 5pc 1913 ...	10	..	—	—
8	5½	Do. 5pc '25 Boxer	7½	.	—	—
48	40	Greek 7pc Ass. ...	48xd	...	3½	17.29
46	41	Do. 6pc 28 Stb. Ass	46	...	3	16.59
44	38	Do. 4pc Mixed Ass.	44		2	14.60
[illegible]						

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or –	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]								
220	161	Gerrard Natnl ...	220	+2	h10.0	—	6.5	—
59	43	Goode D't Mry. 5p	55	.	1.0	—	2.6	—
208	125	Grindlays ...	148	+6	4.38	3.0	4.2	11.3
*58	39	Guinness Peat	47	.....	8—	—	—	—
140	100	Hambros 5p ...	110	–3	5.28	—	6.8	—
277	177	Hill Samuel ...	250	–3	9.1	—	5.2	—
86½	55	Hong Shng. $2.50	56	.	†055c	—	7.8	—

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FT LONDON SHARE INFORMATION SERVICE

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
23	9¼	Keep Trust 5p.	13¼	–¼	‡0 15	—	‡	—
210	148	Kelsey Inds.	185		8.0	1 7	6.2	12.7
155	110	Kershaw (A.) 5p.	150xd	...	‡15 0	0 6	‡	(22 6)
75	39	Kleen-E-Ze Hldgs.	75		3 0	♦	5 7	♦
101	52	L.C.P. Hlds.	91	–1	3.6	1.2	5.6	(20.9)
32	14	LDH Group	26½		—	—	—	—
132	93	L.R.C. Intl. 10p	112xc	+1	h2 95	2.3	3 8	14 6
32	17	Lamont Hldgs. 10p	29		1 3	1.8	6 4	11.4
40	26	Lawtex	34		—	—	—	—
480	345	Lep Group 10p	470		17.5	0.3	5.3	65.2
36	22	Lilleshall 10p	35	+1	d1.0	—	4.1	—
350	55	Lon. & Liv. 10p	55	–1	h2.75	3.5	7.1	4.9
140	102	London & Mid'l'd	115	–1	7.75	1.1	9.6	12.9
110½	38	Lon. & Nthn. Grp.	73	–1	F4.2	♦	8.2	10.3
40	23	Lon. Prv. Health	26		—	—	—	13 0
65	46	Longton Inds.	60	–1	1.0	—	2.4	—
120	70	Low & Bonar 50p	116	+4	†5.0	2.8	6.3	(6 4)

[illegible]

LEISURE—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
39	14½	GRA Group 5p.	34½	–1	—	—	—	44.3
58	45	Grampian TVA 10p	56	.....	3.6	2 9	9.6	4.4
170	136	HTV Non/Vtg.	170	..	11 0	2 0	9.2	7.6
222	125	Horizon	135		†3 6	5.7	3.8	5.9
162	91	Intasun 10p	140		4 0	4.5	4.1	6.4
60	22	Intervision Video 10p	27	–1	1 0	2.1	3.9	13.7
370	258	Juliana's Hldgs 2p	335		b4.9	2 4	2 1	24.2
174	139	LWT "A"	159		11.08	1 1	10.0	12.8
*147	60	Leisuretime Int 10p	60xd	.....	q1.54	♦	3 7	♦
132	108	Mngmt. Ag. M. 10p	115	...	8.75	1.6	10 9	8.3
60	52	Medminster 10p	53	...	†4.0	0 8	10 8	16 7
170	110	Miles World Grp 10p	145		b3 0	2.5	2.8	21.1
23	17½	Nationwide 5p	20	...	—	—	—	—
128	53	Nimslo Int 20c	59	–3	—	—	—	—
128	45½	Norton Opax. 10p	120		t2.17	4.3	2.6	8.6
30	22½	Owners Abroad	28	....	0.5	4.5	2.6	12.5
47	36	Photax (Lon.)	40	....	—	—	—	—

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

PROPERTY—Continued

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
127	97	McKay Secs. 20p.	117		3 4	2.0	4.2	17.4
50	41	Morland Secs 5p.	46	–½	2.0	♦	6.5	♦
235	112	Mountleigh	230		5 5	2 1	3.4	(16.8)
198	112	Mountview 5p	192		3.7	8.8	2.8	5.9
82	68	Mucklow (A. & J.)	73		4.5	♦	9 1	♦
93	72	New Cavendish 5p.	72	–1	—	—	—	—
155	87	North Brit. Props	152	+59	3.2	0.9	2.9	(68.5)
*35	22	Parkdale Hldgs. 10p.	28		t0 8	1.8	4.1	24 4
167	125	Peachey	159		5.25	2.3	4 7	13.2
214	194	Peel Hldgs	194	–2	bd7.35	1.2	5.3	(28.4)
43	27	Phoenix Prop. and Fin.	33		—	—	—	—
168	132	Prop. Hldg. & Inv.	154	–4	4.0	1.5	3 7	26 1
285	258	Prop. Part'ship.	265	.....	6.25	1.8	3.4	23 7
166	130	Prop. & Rev.	158		3.5	1.3	3.2	32.2
129	93	Prop. Sec. Inv 50p	122		¢2.25	2.1	3 3	(21.7)
8½	7	Raglan Prop 1p	8		0 08	♦	1 3	♦
82	50	Regalian	72		♦1.25	5.6	2.5	9.6

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

An integrated approach to investment and finance

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The Nikko Securities Co. (Europe) Ltd.
Nikko House, 17 Godliman Street,
London EC4V 5BD
Tel: 248-9811 Telex: 884717

MINES—continued

Australians

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	17	..	—	—	—
52	32	Allstate Explo NL	48	–2	—	—	—
40	9	♥Austrain Mng. NL	32	–1	—	—	—
25	11	Balmoral Resources	19	..	—	—	—
60	37	♥Black Hill Mins.	53	–1	—	—	—
85	51	♥Bond Corp.	85	+3	gQ10c	2.3	7.1
183	116	♥Bougainville 1 Kina	158	..	mQ5 42c	1.2	1 3
372	204	♥CRA 50c	340	–8	tQ3c	—	0.5

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

"Recent Issues" and "Rights" Page 37

[illegible]

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

LONDON MARKETS

LONDON FINANCIAL COMMUNITY EXPECTS TRANSFORMATION

Mercantile on acquisition path

BY OUR FINANCIAL STAFF IN NEW YORK AND LONDON

MERCANTILE House Holdings, the fast growing international financial services group with headquarters in London, is considering the possibility of acquiring one of the leading London stockbrokers. The group is also considering buying a London merchant bank, Mr John Barkshire, the group's chairman, said in New York.

In London, it is understood that Exco International, the money broker and financial services group, has also been considering taking an equity stake in a stockbroking or jobbing firm. Under present rules in the London stock market, outsiders may only buy up to a 29.9 per cent stake in member firms within the market.

Mr Barkshire told a group of security analysts in New York that changes taking place in the London stock market would "totally transform the way business is done not only on the stock exchange in London but also throughout the London financial community. At this minute, we are undertaking our own survey of the 20 leading firms on the London Stock Exchange."

He said: "We are analysing the business that they do, their research capabilities, their international business, their institutional against retail business and we are looking at each one so that if the rules change, and there is a necessity to move quickly, we will know which of those firms would be most suitable to fit in with ours."

As part of Mercantile House's preparations for changes in the London market, he said: "We are inclined to look at the accepting houses, merchant banks and investment banks in London."

He continued: "We have little doubt that we will link with one of those. We will acquire one or one will become part of our group, and it may well be that one of the discount house will also become part of our group. This is the way I see London restructuring over the next 12 months to two years."

Mercantile House's moves will almost certainly stimulate other interest in the London stockbroking community, which faces an extensive period of change.

The British Government's insistence that the stock exchange abandons rules that have established minimum commission scales on transactions in the stock market is expected to lead to regroupings and rationalisation within the stockbroking community.

Broking and jobbing firms that may be short of capital once minimum commissions are abandoned are expected to seek links with outsiders. The rules governing equity links with broking and jobbing firms may be relaxed.

Meanwhile, in London, Merrill Lynch, the U.S. securities group, is seeking research analysts to join its organisation.

Some 39 analysts out of 40 interviewed at London's Churchill Hotel last week have told "head hunters" that they are willing to attend further interviews with Merrill Lynch in November, but, so far no firm offers have been made to star analysts in London stockbroking firms.

'Banking system must adapt'

BY OUR FINANCIAL STAFF IN LONDON

AS THE banking system evolves into high-technology financial supermarkets, regulators of the banking system must adapt to change, and the longer they delay, the worse the problems become.

That was the conclusion of a meeting of banking officials from 11 industrial countries held in May by the Bank of England to discuss the innovations that are sweeping through the financial services industry.

Increased competition between banks and other institutions, computerisation, and the declining role of cash all play a role in the process.

The findings are summarised in the latest Bank of England Quarterly Bulletin, which is to be published tomorrow. Advance copies were made available to the press yesterday.

The meeting found that it was "futile" for regulators to try to retain strict barriers between different kinds of financial institutions because they can be easily avoided or circumvented.

In the UK, that would apply to the blurring of distinctions between banks and building societies, both of which now offer mortgages and cheque books. But similar convergence is occurring in other countries, notably the U.S.

But the meeting agreed on the need to retain a formal structure of regulation because financial innovation also carries risks, notably:

- Excessive competition;
- More volatile interest rates, and;
- The operating risks linked to the financial system's high dependence on computers.

However, supervisors should shift from regulating institutions by type, and concentrate instead on their function.

"No one definition of a bank or of banking would avoid all the borderline problems, but a general set of criteria in terms of deposit-taking and lending would probably be sufficient to encompass institutions which should fall within the supervisory framework."

Financial innovation can also complicate monetary policy because it upsets money-supply definitions and makes the aggregates less sensitive to small changes in interest rates. But those problems might be transitional; the meeting found.

One of the most important tasks facing supervisors is to ensure that banks' capital resources are strong enough to cope with change, especially since the capital ratios of banks in most countries have declined steadily for some years.

Editorial comment, Page 16

World value of the pound every Tuesday in the Financial Times

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

هكذا عن الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF 01-404 0393

'Asset Builder'	65 4	69.3	....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr Sept 15	61.2	66.0	...	—
MM Flexible Sept 6	52.6	55.4	...	—
Fixed Interest Sept 1	54.7	57.7	...	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	291.5	—	−0.5	—
Invest. Tst. Fd. Acc.	308.0	—	−0.5	*12.3
Property Fund Cap.	117 1	—	..	—
Property Fund Acc.	123.4	—		*4.3
Flexible Fund Cap.	181.8	—	−1.3	—
Flexible Fund Acc.	191.5	—	−1.4	*4.4
Fixed Int. Fd. Cap	139.7	—	−0.9	—
Fixed Int. Fd. Acc	167 4	—	−1.0	—
Gtd. Deposit Fd. Cap.	138.9	—	.....	—
Gtd. Deposit Fd. Acc.	145 4	—		—
Equity Fund Cap.	129.7	—	−1.3	—
Equity Fund Acc.	136.3	—	−1.3	—
International Fd. Cap.	139.9	—	−0.8	—
International Fd. Acc.	147.0	—	−0.8	—
Capital Gwth. Fd.	420.5	—	−2.7	—
Moneymaker Fund	169.2	—	−0.8	—
Exempt Inv Tst Cap.	407.0	—	−0.3	—
Exempt Inv Tst Acc.	422.4	—	−0.3	—
Exempt Inv Tst NS	420.1	—	−0.3	*8.4

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13 37		.	—

Inv Adv. M. & G. Inv Mngt., Ltd., London

Wren Commodity Management Ltd.
10, St George's St., Douglas IoM 0624 25015

Wren Com. Fund	26 3	27 1		—
Chinese Fund	65 9	68.7		—
Precious Metal Fund	120 9	125 9		—
Vanguard Cmdy Fd.	37 0	37 9		—
Financial Futures Fd.	76.4	79 6		—
Wren Intl Fnd *	$0 560	6 583		—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

General decline in metal prices

BY JOHN EDWARDS, COMMODITIES EDITOR

METAL prices came under renewed pressure on the London markets yesterday. Copper slid to eight-month lows triggering nervous selling in other markets too.

Higher grade cash copper dropped to a low of £1,003 before closing at £1,007 a tonne, £8 down on the previous day. Cash aluminium lost £13 to £1,064.5; cash zinc £10.5 to £542; cash lead £7 to £281.5; cash nickel £70 to £3,112.5 and cash tin £67.5 to £8,517.5 a tonne.

No-one is quite certain why the markets have suddenly come under pressure. Sentiment in copper has been undermined in recent weeks by rising stocks and apparently poor consumer demand.

But the copper mine strikes in Peru and Mexico, and indications of a downward trend in U.S. interest rates this week, should have been bullish. Instead, the market has been hit by a sudden burst of speculative selling. Some traders suggest this was nervous reaction to reports of financial problems troubling some commission houses. This nervousness has been transferred to the other markets, encouraging speculative selling and profit-taking. In the tin market, the selling pressure was such that the buffer stock of the International Tin Council temporarily withdrew from the market yesterday before resuming support buying at a lower level.

New LME silver futures contract to be launched

BY OUR COMMODITIES EDITOR

A NEW SILVER futures contract with a minimum lot size of 2,000 ounces is to be launched on the London Metal Exchange. Trading in the new contract will start on November 1, with February 1 as the first delivery

The exchange announced in March that it was considering changing the lot size on the existing silver futures contract from 10,000 to 2,000 ounces. But there have been problems in deciding how to phase out existing open contracts. So the 10,000 ounces contract will presumably continue until it is superseded by the new contract. It is claimed that the smaller minimum lot size will help trade hedging, encourage cash and carry transactions, and bring the value of the contract closer into line with the other LME metals.

Meanwhile, the Board of the London Gold Futures market announced yesterday that the change in trading hours, proposed earlier this month, would take effect from Monday. Official trading will take place in one continuous session from 8.30 am to 3.30 pm.

At the same inter-office telephone (kerb) trading will be permitted on LGFM contracts, effectively introducing 24-hour trading. The months quoted on the market will also be changed to coincide more closely with the New York (Comex) contract. Delivery months quoted will be February, April, June, August, October and December, including a spot month.

Block set to announce feed grain programme

U.S. AFRICULTURE Secretary John Block is to announce today or tomorrow next year's feed grain programme folowing a compromise with Congress by which he agreed to make the announcement by September 30.

He declined to comment on specific provisions, but trade and Adminstration sources said recent talks centred on a 10 or 15 per cent voluntary acreage reduction programme. U.S. net farm income for this year would be "at the top end" of the $25-$19bn (official) range, Mr Block said.

● LONDON potato futures April position jumped nearly £20 to £216 per tonne following news that the West German crop estimate is down to 5.5m tonnes from the 6m expected.

● Tanzanian forest fire, is believed to have destroyed more than 1,000 hectares of plantations meant to feed a major new paper mill, the Government-owned Daily News said. The fire, which is still raging, threatens a further 30,000 hectares.

● CHINA expects a record grain harvest this year in spite of widespread flood, drought and other natural disasters, Radio Peking said. Last year's crop was a record 353.4m tonnes.

● INTERNATIONAL Finance Corporation said it would provide equity investment of $11m to help finance a $44.1m Philippine palm oil project, which includes construction of roads, port facilities and a mill to process 95,000 tonnes of kernels a year.

● U.S. MEAT imports this year should total 1.23m lb, 1m lb below the 1983 trigger level that would result in import quotas, the U.S. Agriculture Department said.

Consensus unlikely on sugar pact

BY ANTHONY McDERMOTT IN GENEVA

THE SUGAR conference here is almost certainly not going to find sufficient common ground for a new international agreement to emerge when the three-week negotiations end on Friday.

Miracles could happen but an official of the UN Conference on Trade and Development (Unctad) admitted that several major problems had still to be resolved

The main dispute centres on how surplus stocks should be handled. The EEC wants 5m-6m tonnes of security stocks held off the market by major exporters for release only when prices rise to agreed levels. The other nine major exporting countries want surplus stocks to be taken off the market only when prices fall too low.

The EEC, which is seeking to impose tough conditions as the price for joining any agreement, is also at loggerheads with Australia over the question of export allocations. It wants them to be calculated on the basis of quantities available, while Australia favours allocations based on market demand.

A further problem to be resolved is the special trade arrangements between governments—in particular the Cuban sugar deal with the Soviet Union.

Finally, many importers are extremely reluctant to contribute to financing surplus stocks. This applies particularly to the U.S. even though it is broadly in favour of negotiating a new agreement to replace the present pact, which expires at the end of next year.

The most likely conclusion of the Geneva meeting is an agreement that negotiations will have to be resumed, probably in February. There may be preliminary talks in December to try to clear the way for later talks.

Our Commodities Editor writes: World sugar prices advanced further on the London terminal market yesterday. The London daily price for raw sugar rose a further £7 to £157 a tonne making a gain in the past two days of £16.50. On the futures market, there were gains of some £6 with prices closing near their highs of the day.

There was little reaction to news from Brussels that at this week's selling tender the EEC Commission authorised exports of 60,000 tonnes of white (refined) sugar with a maximum export rebate of 29.07 European currency units per 100 kilos. The rebate granted was below the 30.512 units given last week when exports of 40,800 tonnes were authorised. The recent rally in prices is attributed to reports of Russian buying and the expiration of the October delivery position on the New York market without the expected flood of supplies.

U.S. challenges Taiwan over rice exports

BY NANCY DUNNE IN WASHINGTON

ATTEMPTS TO settle a dispute between the U.S. and Taiwan over rice exports have foundered, and the conflict could engulf other products, creating a wider trade battle.

U.S. rice producers, faced with a drastic decline in their market share this year, are preparing to re-submit a complaint today to the U.S. Trade Representative's office. They claim they are being forced out of their traditional markets by subsidised, cheap, Taiwanese rice exports.

A complaint, filed originally on July 13 was withdrawn at the end of August when the Taiwanese Government agreed to limit rice exports to 550,000 tonnes this year and to enter negotiations for a multi-year bilateral aggreement to lower Taiwanese exports still further.

However, talks held on July 20 and 22 failed to produce agreement. Taiwan, according to U.S. negotiators, informed the Americans that their 550,000 tonnes exports limit this year would not include contracts carried over from last year with the sale of an additional 300,000 tonnes. The two sides were also far apart on the proposed Taiwanese market share, which the U.S. wanted set at 50,000 tonnes annually. The Taiwanese offered to reduce exports gradually from 550,000 tonnes in 1984 to 400,000 in 1988.

The dispute could have serious consequences. The Trade Representative's office, which follows the sales negotiations closely, is likely to accept the complaint and begin an investigation almost immediately. If a finding of injury is returned, the U.S. may retaliate with duties, quotas or tariffs on Taiwanese manufactured goods.

The Taiwanese have hinted that they may respond with action against U.S. exports of maize and soya beans to Taiwan.

The current Taiwanese rice programme, instituted in 1980, guarantees farmers a 20 per cent profit on their investments. The Government buys a portion of their crop and sells it on the world market at lower prices.

The U.S. exports two-thirds of all rice produced domestically, and Thailand has traditionally been the leading rice exporter in the 12.5m tonne world market. Taiwan was insignificant as a rice exporter until 1980. It began making large sales to Indonesia in 1977, but its exports to other markets never exceeded 27,000 tonnes between 1974-1980.

By 1982 and 1983, its customers included Indonesia, Cameroon, Ivory Coast, Syria, Libya and Hong Kong.

Taiwan has edged the U.S. out of these markets by undercutting their prices, according to the American Rice Millers Association which filed the trade complaint. The group alleges that Taiwan began dumping its surpluses in 1977 and from then until 1982 dumped 1.45m tonnes. U.S. rice exports to Indonesia rapidly declined in the same period from nearly 400,000 tonnes to 2,500 tonnes.

The millers lodged the complaint fearing that the 850,000 tonne Taiwanese surplus overhanging the market would lower world prices and cost the U.S. Government millions in deficiency payments given to American farmers. The payment-in-kind programme this year has cut U.S. rice production to its lowest in three years. However, stocks were at record levels, so even with a 38 per cent cut in production, the Department of Agriculture expects to have surpluses amounting to 30m cwt by July 31 next year.

Politics reportedly hindered the negotiations. The Taiwanese elections are scheduled for December, and the negotiating team, led by Mr Vincent Siew, Director-General of the Board of Foreign Trade, implied that it wanted the issue deferred until after the elections.

Coffee prices surge following NY gains

By John Edwards

COFEE prices surged to the to the highest levels since March on the London robusta futures market yesterday. The November position jumped by £41.5 to £1,795.5 a tonne to reach a life-of-contract high.

Traders said London was following an upward trend in New York, which had been accelerated by prices breaking through chart buying points and bringing in heavy speculative buying. The fundamental supply-demand situation remains unchanged with heavy surplus stocks building up. But there is a shortage of immediately available supplies to the market, mainly because of the export quota restrictions

On the London futures market, for example, the nearby delivery months quoted are at a considerable premium to more distant positions. The spot (September) month is at £1,812.5 compared with £1,642 for September next year.

It is generally acepted in the market that there should be little difficulty in finalising details of the International Coffee Agreement for the 1983/84 season by the time the talks in London end

A new working group to study coffee trading between member and non-member countries of the Coffee Agreement was planned yesterday. It is felt stronger measures to control coffee sales to non-member countries may be linked with a deal between consumers and producers on the global quota and price range set under the agreement.

PRICE CHANGES

In tonnes unless stated otherwise	Sept. 28 1983	+ or —	Month ago
Metals			
Aluminium	£1050	......	£1050
Free Mkt.	$1590/1630	......	$1610/670
Copper			
Cash h grade	£1007	—8	£1061.5
3 mths	£1033.75	—6.5	£1088.25
Cash Cathode	£982	—12	£1027.5
3 months	£1007.5	—10.25	£1054.5
Gold troy oz	$413.375	+0.75	$414.625
Lead Cash	£281.5	—7	£264.25
3 months	£291.5	—7.25	£273.875
Nickel	£4646.34	......	£4625.95
Free mkt.	220/250c	......	222/252c
Palladium	$161.75	+0.25	$146.50
Platinum	£285.20	+0.05	£291.70
Quicksilver†	$305/315	......	$280/290
Silver troy oz	794.20p	+1.2	803.35p
3 mths	812.65p	+1.15	822.00p
Tin cash	£8517.5	—67.5	£8577.5
3 month	£8602.5	—75	£8702.5
Tungsten	$72.17	......	$84.32
Wolfem 22.04 lb	$79/83	......	$73/77
Zinc Cash	£542	—10.5	£579.5
3 mths	£557.25	—11.25	£596.
Producers	$880	......	$850

	Sept. 28 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$945y	+7.5	$945
Groundnut	‡	......	‡
Linseed Crude	‡	......	‡
Palm Malayan	$700u	+22.5	$680
Seeds			
Copra Phil	$630x	......	‡
Soyabean (U.S.)	$352.50v	+6	$342.50
Grains			
Barley Fut. Jan	£121.65	—0.85	£118.60
Maize	£145.00v	......	£143.50
Wheat Fut. Jan	£124.95	+0.20	£124.60
No2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1507.5	—2.5	£1558.5
Fut. Dec	£1474.5	—9	£1524.5
Coffee Ft. Nov	£1795.5	+42.5	£1714.5
Cotton A. Index	87.30c	......	92.15c
Gas Oil Oct	$252.00	—1.5	$256.50
Rubber (kilo)	74.25p	+0.50	79.25p
Sugar (Raw)	£157.00yw	+7	£164.00
Woolt'ps 64s z.	400p kilo	......	392 kilo

‡ Unquoted. z Aug-Sept. w Nov. u Dec. y Sept-Oct. x Oct-Nov. v Oct. † Per 76 lb flask. *Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.65	—
Iranian Light	28.20	—
Arabian Heavy	26.65	—
North Sea (Forties)	29.95	—0.17
North Sea (Brent)	30.00-30.15	—0.17
African (Bonny Li'ht)	30.30-30.55	+0.05
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	282-286	—0.5
Gas oil	250-253	—1.0
Heavy fuel oil	167-168	+0.5

GAS OIL FUTURES

Prices fell again following bearish API stock figures. Continued trade selling put a stop to any rally and the market closed near the lows, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Sept	248.75	—1.25	248.75-48.75
Oct	252.00	—1.50	253.00-51.75
Nov	256.75	—1.25	258.00-56.00
Dec	260.50	—1.75	262.50-58.00
Jan	260.50	—1.75	262.00-60.90
Feb	256.50	—0.50	259.00-57.00
Mar	251.00	—0.50	251.25-51.00
April	246.00	—4.00	249.25-48.00
May	244.37	—0.63	—

Turnover: 2,314 (2,275) lots of 100 tonnes.

GOLD MARKETS

Gold rose $½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $413-$413½. The metal opened at $414-$414½ and traded between a high of $414¾-$415¼ and a low of $412½-$413. The day's lows were touched soon after the opening of New York, with the market showing a distinct lack of follow through to the earlier firmer trend with dealers suggesting a certain reluctance to move much either side of current trading bands.

In Paris the 12½ kilo bar was fixed at FFr 107,100 per kilo ($415.81 per ounce) in the afternoon compared with FFr 107,000 ($415.35) in the morning and FFr 107,350 ($414.92) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,190 per kilo ($415.00 per ounce) against DM 35,350 ($414.25) previously and closed at $413½-$413¾ from $412-$412½.

In Luxembourg the dollar equivalent of the 12½ kilo bar was fixed at $414.0 from $413.50.

In Zurich gold finished at $412-$415 from $411-$414.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Oct	413.40-15.0	+0.55	415.00-13.0
Nov	416.00-15.0	+0.25	—
Dec	419.70-19.8	—0.20	421.70-19.5
Jan	423.10-24.2	+0.65	—
Feb	426.10-27.5	+0.10	426.40
Mar	430.00-31.5	+0.50	—
April	433.00-35.4	+0.25	438.20

Turnover: 434 (645) lots of 100 troy ounces.

	Sept. 28		Sept. 27	
Gold Bullion (fine ounce)				
Close	$413-413¾	(£275½-276)	$412¼-413	(£275¼-275¾)
Opening	$414-414¼	(£275¾-276¼)	$413¾-414½	(£275¼-276¾)
Morning fixing	$414	(£276.184)	$413.50	(£275.795)
After noon fixing	$413.60	(£275.786)	$412.25	(£275.164)

Gold Coins Sept. 28					
Krugrnd	$425½-426½	(£283¾-284½)	King Sov	$99-100¼	(£66-67)
½ Krg	$219½-220¼	(£146½-146¾)	Victoria Sov	$99-100¼	(£66-67)
¼ Krg	$112-112¾	(£74¾-75¼)	French 20s	$81¾-83½	(£54½-55¾)
1/10 Krug	$45½-46¼	(£30¼-30¾)	50 pesos Mex	$505-507	(£336¾-338)
Mapleleaf	$425¼-426¼	(£283½-284¼)	100 Cor. Aust	$405-409	(£270-272¾)
New Sov	$97¼-98	(£64¾-65¼)	$20 Eagles	$600-605	(£400¼-403½)
½ New Sov	$58¼-59	(£38¾-39¼)			

EUROPEAN MARKETS

ROTTERDAM, September 28.

Wheat—(U.S.$ per tonne): U.S. Two Red Winter Oct 155, Nov 159, Dec 162.25, Jan 165.50. U.S. Northern Spring 14 per cent protein Oct 185.25, Oct 20-Nov 20 186.25, Nov 186.50, Nov 15-Dec 15 188, Dec 189, April-May 188. U.S. Three Amber Durum Sept 15-Oct 15 210, Oct 209, Nov 211.50, Nov 20-Dec 20 214, April-May 218. Canadian Western Spring Sept 10-Oct 10 207.

Maize (U.S.$ per tonne): U.S. Three Yellow Sept 163, Oct 160.50, Nov 160.50, Dec 160.75, Jan-March 163.50, April-June 166.50. Argentine mid-Oct-mid-Nov 167 sellers.

Soyabeans—(U.S.$ per tonne): Two Yellow Gulfports Oct 346.50, Nov 347, Dec 351.50, Jan 356.25, Feb 360, March 363.25, April 363.25, May 363.50 sellers. Argentine, afloat 338 sellers.

Soyameal—U.S.$ per tonne): 44 per cent, afloat 270, Sept 270, Oct 271, Nov 275, Dec 279, Nov-March 282.50 sellers. After Sept 269.25, Oct 270, Nov-March 282-282.50 traded. Pellets Brazil, afloat 283, Sept 288, Oct 292, Nov 302, Dec 306 sellers. Pellets Argentine, afloat 275, Sept 276, Oct Nov 290, Dec 293 sellers.

Sugar—(FFr per tonne): Dec 2160-2168, Mar 2370-2373, May 2460-2484, Aug 2576-2590, Oct 2630-2650, Dec 2685-2700. Sales at call: 2.

PARIS, September 28.

Cocoa—(FFr per 100 kg): Sept 1650-1760, Dec 1763.50-1766, Mar 1780-1784, May 1818 asked, July 1840 asked, Sept 1875 asked, Dec 1880 asked. Sales at call: 1.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES came under renewed pressure on the London Metal Exchange. ZINC values fell sharply in the wake of rumoured Japanese selling which lowered the price from an opening level of £568 to £556 before a close of £559.5. COPPER dropped to a low of £1,029 but rallied to end the day at £1,034 while reports of far eastern selling depressed TIN to £8,585, before buffer stock support buying prompted a closing level of £8,590.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1002.5-3	—22.5	1006.5-7.5	—8
3 months	1030-5	—21.7	1033.5	—6.5
Settlem't	1003	—22.5	—	—
Cathodes				
Cash	978-80	—24.2	981-3	—12
3 months	1003-4	—23	1007-8	—10.2
Settlem't	980	—25.5	—	—
U.S. pro'd	—	—	*73.5-7	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1004.00, 03.50, 03.00, three months £1033.00, 32.00, 31.00, 30.00, 30.50. Cathodes: Three months £1004.00. Kerb: Higher Grade: Three months £1030.00, 29.00, 28.00, 29.00, 28.50. Afternoon: Higher Grade: Three months £1028.00, 28.50, 29.00, 33.50, 33.00, 33.50, 34.00. Cathodes: Three months £1007.00. Kerb: Higher Grade: Three months £1033.00, 32.50, 32.00, 32.50, 33.00, 33.50, 34.00. Turnover 21,725 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8529-30	—95	8520-30	—70
3 months	8600-10	—80	8605-15	—72.5
Settlem't	8530	—95	—	......
Standard				
Cash	8525-8	—74.5	8515-20	—67.5
3 months	8600-5	—72.5	8600-5	—75
Settlem't	8528	—74	—	......
Straits E.	$30.12	+0.01	—	......
New York				

Tin—Morning: Standard: Cash £8530, 32, 30, 25, three months £8640, 30, 20, 15, 10, 15, 17, 15, 10, 05, 01. Higher Grade: Cash £8530. Kerb: Standard: Three months £8600, 05, 8600, 8590, 90, 8600. Afternoon: Standard: Three months £8587, 89, 90, 94, 90, 95, 8600. Kerb: Standard: Three months £8600, 8595, 8590. Turnover 3,940 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	279-80	—7.75	281-2	—7
3 months	289-90	—8	291-2	—7.25
Settlem't	280	—25	—	......
U.S. Spot	—	......	*22-5	......

Lead—Morning: Cash £280.50, 80.00, 79.00, three months £292.00, 92.50, 93.00, 94.00, 93.50, 93.00, 92.50, 92.00, 91.00, 90.00, 89.00. Kerb: Three months £289.00, 290.00, 89.00. Afternoon: Three months £289.00, 90.00, 91.00, 92.00, 92.50, 93.00, 92.50, 92.00. Kerb: Three months £293.00, 92.50, 92.00. Turnover 13,550 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	540.5-1	—9	541.5-2.5	—10.5
3 months	556.5-7	—9.12	557-.5	—11.2
Settlem't	541	—9	—	......
Primw'ts	—	......	*46-.75	......

Zinc—Morning: Three months £561.00, 60.50, 60.00, 59.00, 58.00, 57.00, 56.50, 57.00. Kerb: Three months £557.00. Afternoon: Three months £556.50, 56.00, 58.00, 57.00, 57.50, 58.00, 57.00, 57.50, 58.00, 57.50, 57.00. Kerb: Three months £557.50, 58.00, 58.50, 59.00, 59.50. Turnover 14,100 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	1061-2	—28	1064-5	—13
3 months	1090-.5	—30.5	1093-.5	—18.5

Aluminium—Morning: Three months £1093.00, 92.50, 93.00, 92.00, 91.00, 90.00, 91.00, 90.50, 90.00, 90.50. Kerb: Three months £1089.00, 88.00, 87.00, 86.00, 85.00, 86.00, 87.00, 87.50, 88.00. Afternoon: Three months £1097.00, 87.50, 88.00, 88.50, 89.00, 90.00, 89.50, 89.00, 88.50, 90.00, 91.00, 92.00, 92.50, 93.00, 93.50, 93.00. Kerb: Three months £1094, 93.5, [illegible], 92, 91, 91.5, 92, 93, 93.5, 92, 93. Turnover 29,100 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3135-45	—74	3110-5	—70
3 months	3200-30	—70.5	3220-5	—62

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel—Morning: Three months £3220, 25, 20, 15, 19, 25. Kerb: Three months £3220, 15. Afternoon: Three months £3215, 10, 05, 3200, 3195, 98, 80, 75, 90, 85, 80, 75, 80, 90, 95, 3200, 3195, 96, 95, 98, 3200, 05. Kerb: Three months £3200, 05, 3190, 80, 70, 80, 90, 80. Turnover 3,744 tonnes.

SILVER

Silver was fixed 1.2p an ounce higher for spot delivery in the London bullion market yesterday at 794.2p. U.S. equivalents of the fixing levels were: spot $11.905, up 3c; three-month $12.184, up 2.6c; six-month $12.484, up 2.7c; and 12-month $13.056, up 1.6c. The metal opened at 794-798p ($11.91-11.95) and closed at 793-795p ($11.88-11.92).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	794.20p	+1.2	794.5p	+2.0
3 months	812.65p	+1.15	812.75p	+1.25
6 months	831.85p	+1.35	—	......
12 months	868.35p	+1.35	—	......

LME—Turnover: 78 (49) lots of 10,000 oz. Morning: Cash 796.0. Three months 813.0, 13.5. Afternoon: Three months 812.0, 13.0. Kerb: Three months 812.0, 11.0.

COCOA

The market opened weaker than due and eased in nervous conditions on commission house and trade selling. Chart selling and liquidation weakened prices further before short-covering halted the decline. Arbitrage and trade buying and a steadier influence from New York helped prices recover by the close. Actuals remained quiet reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£per tonne		
Sept	1435-50	—2.5	1430-25
Dec	1474-75	—9.0	1489-47
March	1473-74	—0.5	1479-41
May	1490-91	+8.5	1491-58
July	1502-05	+9.0	1502-75
Sept	1511-19	+8.5	1500-80
Dec	1518-28	+8.5	1514-94

Sales: 5,431 (3,029) lots of 10 tonnes.

ICO—Indicator prices (U.S. cents per pound): Daily price for Sept 28: 97.39 (97.06): five-day average for Sept 28: 98.49 (98.10).

COFFEE

After a strong New York close, Robustas opened steadier and advanced gradually throughout an active morning session reports Drexel Burnham Lambert. Further gains in New York were matched by London as new contract highs were posted in all months.

COFFEE	Yest'day's Close	+ or —	Business Done
Sept	1810-15	+41.5	1810-77
Nov	1795-96	+42.5	1796-56
January	1767-68	+35.0	1771-37
March	1710-12	+26.5	1712-91
May	1677-78	+28.0	1678-55
July	1656-59	+30.0	1660-45
Sept	1641-43	+29.5	1641-20

Sales: 4,291 (1,453) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) for September 27: Comp daily 1979 127.50 (127.82): 15-day average 126.83 (126.74).

GRAINS

Wheat and barley markets were extremely thin with values in a tight range finding shipper support at cover levels, reports Muirpace.

Business done—Wheat: Nov 122.10-21.65, Jan 125.10-24.75, Mar 127.55-27.25, May 130.50-30.00, July 133.60-33.30. Sales: 196 lots of 100 tonnes. Barley: Nov 119.05-18.70, Jan 121.80-21.60, Mar 124.45-24.35, May 126.50-26.35. Sales: 87 lots of 100 tonnes.

	WHEAT		BARLEY	
Mnth.	Yestrday's close	+ or —	Yest'day's close	+ or —
Nov	122.00	+0.20	118.80	—
Jan	124.95	+0.20	121.65	—0.05
Mar	127.55	+0.30	124.35	—
May	130.45	+0.30	126.40	—
July	133.60	+0.35	—	—

HGCA—Locational ex-farm spot prices. Feed wheat: E Mids 120.00, N East 121.50, Scotland 120.00. Feed barley: E Mids 115.10, N East 114.80, Scotland 113.40. The UK monetary coefficient for the week beginning Monday October 3 (based on HGCA calculations using five days exchange rates) is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Oct 134.50, Nov 135.50, Dec 137.25 trans shipment East Coast. English feed fob Sept 124 paid East Coast, Sept 123.50 seller East Coast. Maize: French Oct 145, Nov 147 trans shipment East Coast. Barley: English feed fob Jan-Mar 128 East Coast Scotland. Rest unquoted.

POTATOES

The market was very steady, trading through limit-up during morning session and recording up to £24.00 gains before profit-taking eased levels back, stabilising around £18.00-£20.00 higher, closing steady. The rise was attributed in part to the West German crop estimate at 5.5m tonnes against expectations of 6m.

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov	151.00	143.60	151.80-45.5
Feb	186.00	169.80	185.80-77.8
April	216.00	196.50	218.00-99.0
May	219.00	200.00	224.00-99.5
Nov	82.50	82.00	—

Turnover: 1,926 (951) lots of 40 tonnes.

RUBBER

The physical market opened steadier, attracted little interest throughout the day and closed quiet, reported Lewis and Peat. The Kuala Lumpur September fob price for RSS No 1 was 251.50 (253.50) cents a kg and for SMR20 210.50 (212.50).

No. 1 R.S.S.	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov	748-749	748-750	756-745
Dec	750-755	755-760	755
JanMch	763-764	757-758	766-757
Apl-Jne	779-781	773-775	785-775
Jly-Sept	795-796	788-790	796-791
Oct-Dec	810-812	803-806	—
JanMch	826-828	820-825	—
Apl-Jne	844-845	835-842	846
JlySept	858-862	850-857	861

Sales: 145 (262) lots of 15 tonnes, 38 (31) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 74.25p (73.75p); Nov 76.75p (76.25p); Dec 77.25 (76.75p).

SOYABEAN MEAL

The market opened £2.50 up on fresh buying, reports T. G. Roddick. Prices continued to advance on stronger cash markets and trade buying to close with gains of £4.50.

	Yestday's close	+ or —	Business Done
	£ per tonne		
October	182.00-83.50	+4.20	185.00-78.00
Dec	190.00-90.40	+4.70	190.80-85.50
Feb	196.00-96.50	+4.10	196.20
April	196.10-96.80	+3.40	—
June	195.50-96.00	+4.25	—
August	193.50-95.00	+4.00	—
October	185.00-89.00	+0.95	—

Sales: 236 (564) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £157.00 (£150.00) a tonne for Sept-Oct-Nov shipment. White sugar £173.50 (£169.50).

Prices gained some £5.00 over the day following rumours that the USSR had purchased a block of EEC whites, reports C. Czarnikow.

No.4 Contract	Yest'day's close	Previous close	Business done
	£ per tonne		
Oct	164.75	158.75-59.25	165.00-58.50
Dec	173.50-74.00	168.00	175.50-68.50
Mar	185.80	179.50	185.00-78.50
May	190.00	184.75-85.00	190.25-85.25

Sales: 8,167 (5,788) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £267.00 (£253.50) a tonne for exports.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Sept 27: Daily price 9.25 (8.71); 15-day average 9.25 (9.29).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 40 tonnes. Fresh dealings were light, and only minor purchases ensued. Most of these were in American type varieties, but occasional demand was evident in other growths, without extensive operations taking place.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. Oct 423, 426, 424-423; Dec 421, 422, 421-420; Jan 421, 422, 421-420; Mar 428, 430, 428-427; May 438, 442, 439-437; Aug 449, 451, 450-448; Oct 449, 452, 450; Dec 457, 460, untraded; Jan 458, 462, untraded; Mar 469, 472 470. Sales: 46.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. Oct 548.0, 547.5, 547.0-546.1; Dec 565.0, 568.0, 567.0-565.0; Mar 583.5, 584.0, 584.0-583.0; May 598.0, 600.0, untraded; July 610.0, 612.0, 610.0-610.0; Oct 606.0, 608.0, untraded; Dec 612.0, 616.0, 614.0-614.0; Mar 622.0, 625.0, untraded. Sales: 66.

INDICES

FINANCIAL TIMES

Sept. 27	Sept. 26	M'th ago	Y'ar ago
290.16	291.16	292.19	251.24

(Base: July 1 1952=100)

REUTERS

Sept 28	Sept. 27	M'th ago	Y'ar ago
1886.5	1887.5	1911.2	1606.3

(Base: September 18 1931=100)

MOODY'S

Sept. 27	Sept. 26	M'th ago	Yearago
1058.6	1059.5	1082.8	986.7

(Base: December 31 1974=100)

DOW JONES

Dow Jones	Sept. 27	Sept 26	Month ago	Year ago
Spot	148.72	148.25	145.12	124.38
Fut's	149.86	149.93	151.21	131.08

(December 31 1931=100)

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 80.0 to 85.5; Eire hindquarters 84.0 to 97.0, forequarters 58.0 to 62.0. Veal: Dutch hinds and ends 143.5 to 147.5 Lamb: English small 58.0 to 62.0, medium 56.0 to 60.0, heavy 54.0 to 58.0. Imported: New Zealand PL 59.5 to 60.0, PX 57.0 to 57.5. Pork: English under 100 lb 51.0 to 55.0, 100-120 lb 50.0 to 53.0, 120-160 lb 50.0 to 54.0.

GRIMSBY FISH — Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shelf Cod £4.50-£6.00, Codlings £1.80-£4.10; Large Haddock £3.80-£4.40, Medium £2.20-£3.40, Small £1.60-£2.20; Large Plaice £4.70-£5.40, Medium £4.60-£5.00, Best Small £4.00-£4.80; Skinned Dogfish (large) £7.50 (medium) £4.00; Lemon Sole (small £4.00-£7.00; Saithe £3.00-£3.40.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.21p per kg lw (+0.28). GB—Sheep 124.26p per kg est dcw (—3.13). GB—Pigs 76.91p per kg lw (—5.04).

English produce: Apples—per pound Bramley new season 0.10-0.14, Howgate 0.09, Worcester Pearmain 0.14-0.20, Cox's 0.18-0.25, russet 0.18-0.22, Charles Ross 0.16-0.18. Pears—per pound, Comice 0.18-0.23, Conference 0.10-0.14. Strawberries—8 oz 0.35-0.50 according to condition. Raspberries—4 oz punnets 0.40-0.70 according to quality. Plums—per pound Marjorie 0.22-0.24. New potatoes—4.00-5.30. Mushrooms—per pound, open 0.60-0.70, closed 0.80-1.00. Lettuce—per tray round 0.80-1.00, Webb's 2.00-2.30, Cos 2.00-2.20, Iceberg per dozen 7.50-8.00. Onions—per 55-lb 3.80-4.00. Cabbages—per 25-lb Primo 3.00-3.50. Greens—28-lb Kent 2.50-3.00. Cauliflowers—12's Lincoln 2.00-3.00. Cucumbers—2.80-3.40. Tomatoes—hothouse 12-lb 2.50-2.80. Celery—3.50-4.00. Beetroots—28-lb 2.50-3.00. Turnips—28-lb 2.00-3.00. Swedes—28-lb 2.00-2.20. Sugar peas—per pound 1.50-2.00. Capsicums—green per pound 0.20-0.25. Corn cobs—each 0.08-0.14. Leeks—per pound 0.25-0.30. Carrots—28-lb 1.50-2.00. Parsnips—28-lb 2.50-3.00. Courgettes—per pound 0.25-0.30. Stick beans—per pound 0.30-0.40. Sprouts—per pound 0.20-0.22.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated: Imported produce: Minneolas—Outspan: 5.50-6.00. Tangerines—Brazilian: Honey, tray 5.20-5.50. Oranges — Outspan: Valencia Lates 40 6.00, 48 6.80, 56 7.70, 72 7.40, 88 7.10, 112 6.10, 138 5.80, 150 5.00; Brazilian: Valencia Lates 5.50-6.00. Lemons — Outspan: Carton 9.00-12.00; Spanish: 5 kg 3.20-3.80; Italian: Carton 7.50-10.00; Turkish: 7.00-8.00; Chilean: Box 11.00-12.00. Grapefruit—Outspan: 27 5.70, 32 6.70, 36 6.90, 40 6.80, 48 7.40, 56 7.40, 64 7.40, 72 5.00; Honduras: Box 6.00-6.50; Dominican: 6.00-7.00; Cuban: 4.80-5.00. Apples — French: Golden Delicious (new crop) carton 5.60-5.80, half-carton 2.80-2.90, Granny Smith 9.50-9.80, half-carton 4.80-5.00, Starkrimson carton 7.00-7.40. Pears—French: Per pound Williams 0.15; Italian: Williams 0.18-0.21. Grapes—Italian: Per pound Alphonse 0.30-0.32, Italia 0.30-0.34; Spanish: Italia 0.30-0.35, Almeria 0.20-0.22, Napoleon 0.28-0.30; French: Alphonse 0.20-0.24. Peaches—Italian: Large trays 2.20-3.00. Nectarines—Italian: Large trays 6.00-7.00. Plums—Italian: Per pound Stanley 0.14-0.15, President 0.20-0.25; Romanian: Blue 0.15. Water-melons — Spanish: 15 kg 2.50-2.80. Melons — Spanish: Yellow 10 kg 2.00-3.20, green 3.00-3.50; French: Large trays Charentais 4.00-4.50, Galia large trays 4.00-4.50. Bananas — Colombian: 40 lb boxes 10.60-11.00. Avocados — South African: 5.60-6.00; Canary: 5.50-6.00. Pineapples — Each Cape: 0.40-1.60; Kenyan: 1.20-1.80; Ivory Coast: 0.35-1.20. Paw paws—Brazilian: 7.00-7.50. Mangoes—Israeli: 6.50-7.00. Fennel—Dutch: 5 kg 5.20-5.50. Kiwifruit — New Zealand: 6.00-6.20. Tomatoes—Dutch: Tray 3.00-3.20, Beefsteak 4.50-4.60. Aubergines — Dutch: 5 kg 5.80-6.00. Onions—Spanish: Grano 25 kg nets 4.00; Dutch: 50/70 mm 4.00. Capsicums—Dutch: Yellow 6.00, green 3.30, red 5.00-5.50. Cabbages—Dutch: Red 6.00, white 5.80. Potatoes—Cyprus: 44 lb bag 4.00-4.20. Sugar peas — Kenyan: Per pound 1.80-2.00. Globe artichokes — French: 24's 9.50-10.00. Lettuce—U.S.: Iceberg 30's 14.00-15.00. Cucumbers — Dutch: Tray 3.00-3.20; Spanish: 2.20-2.40. Courgettes—French: Per pound 0.30-0.35. Tomatoes — Spanish: Tray 3.20-3.60.

AMERICAN MARKETS

Gold and silver came under pressure reversing small gains made early in the session on selling related to the large build up in Comex silver stocks. Copper steadied on an oversold condition along with labour unrest in Peru. Sugar was firm on renewed physical interest along with reports that a delayed Philippine cane harvest might fall short of expectations. Cocoa attracted good trade support which offset long liquidation evident early in the session. Coffee firmed on short-covering as the expected bearish impact of news the long shoremen's strike had been avoided failed to materialise. Cotton came under pressure as weakness to soyabeans offset early buying based on a pick-up in export interest with stop loss selling on the close. The grain and soyabean complex came under aggressive selling pressure in response to reports that yields of soyabeans are higher than expected. A trade report indicating a larger than expected build up in heating oil stocks put the market in a vulnerable position and the market finished sharply lower, reports Heinold Commodities.

NEW YORK

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	135.88	136.20	134.30	—
March	131.96	132.42	131.10	—
May	129.29	129.75	128.30	—
July	127.60	128.00	126.25	125.86
Sept	125.75	126.25	124.01	—
Dec	123.87	124.76	123.00	123.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Oct	68.45	68.50	68.50	68.25
Nov	69.05	—	—	68.96
Dec	69.70	70.20	69.20	69.60
Jan	70.40	70.30	70.10	70.30
March	71.80	72.25	71.30	71.70
May	73.10	73.60	72.60	73.05
July	74.45	74.80	73.95	74.40
Sept	75.80	76.30	75.25	75.25
Dec	77.30	78.35	77.35	77.75
Jan	78.55	78.50	78.00	78.40

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Oct	74.30	75.65	74.40	75.15
Dec	76.16	77.40	75.80	76.91
March	77.88	79.00	77.55	78.51
May	78.70	79.85	78.50	79.40
July	79.35	80.10	78.65	79.85
Oct	75.10	75.50	75.45	75.30
Dec	74.50	75.00	74.15	74.75
March	75.15	—	—	75.10

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	411.0	415.0	410.0	413.9
Nov	414.3	—	—	417.2
Dec	417.6	421.7	416.0	420.2
Feb	424.6	428.5	424.0	427.1
April	431.5	435.2	431.0	434.2
June	439.1	442.5	440.0	441.4
August	446.5	448.0	444.5	448.7
Oct	454.3	458.3	457.0	456.3
Dec	462.1	464.3	461.5	464.0

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
Oct	82.30	83.20	82.10	83.46
Nov	83.58	84.70	83.50	85.21
Dec	84.68	85.80	84.45	86.37
Jan	84.91	86.00	84.70	86.54
Feb	84.10	85.20	84.10	85.80
March	81.90	82.50	81.80	83.36
April	81.00	81.80	81.00	82.00
May	80.25	80.50	80.25	81.20
June	80.00	80.40	80.40	81.30

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Nov	118.80	119.10	118.60	118.60
Jan	114.20	114.90	114.05	114.40
March	113.15	113.80	113.05	113.30
May	112.35	112.50	112.35	112.50
July	112.30	—	—	112.50
Sept	112.30	—	—	112.50
Nov	110.75	—	—	111.00
Jan	110.00	—	—	110.00

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Oct	422.9	430.0	422.5	428.4
Jan	432.9	440.5	432.2	437.5
April	438.9	445.7	439.0	443.5
July	446.9	453.0	451.5	451.5
Oct	455.4	460.5	457.0	460.0

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Oct	1182.5	—	—	1192.5
Dec	1201.6	1215.0	1198.0	1211.0
Jan	1211.3	—	—	1221.4
March	1232.0	1247.0	1228.0	1242.2
May	1253.3	1257.0	1257.0	1263.7
July	1274.7	—	—	1285.2
Sept	1296.1	1307.0	1296.8	1191.7
Dec	1328.1	1343.0	1343.0	1339.8
Jan	1339.1	—	—	1310.8
March	1361.1	—	—	1372.8

SPOT PRICES—Chicago loose lard 21.50 (same) cents per pound. New York tin 590.00-594.00 (597.00-601.00) cents per pound.

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Oct	10.00	10.23	9.93	9.76
Jan	10.75	10.85	10.60	10.52
March	11.26	11.35	11.15	11.04
July	11.95	12.11	11.83	11.68
Sept	12.13	12.30	12.09	11.91
Oct	12.28	12.43	12.20	12.05
Jan	12.76	12.76	12.76	12.47

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	61.00	61.65	60.60	61.20
Dec	60.82	61.70	60.80	61.45
Feb	61.45	61.95	61.35	61.85
April	63.57	63.95	63.55	63.72
June	65.37	65.80	65.20	65.42
August	64.47	64.70	64.45	64.50

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	42.02	42.32	41.72	41.95
Dec	42.15	42.50	41.80	42.20
Feb	45.82	46.15	45.35	45.87
April	45.57	46.25	45.65	45.80
June	51.80	52.15	51.60	51.80
July	53.85	53.90	53.50	53.85
Aug	53.12	53.55	53.10	53.05
Oct	52.40	52.40	52.35	52.30
Dec	53.10	53.50	53.10	53.30

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
Dec	348.4	358.2	348.0	354.4
March	352.0	362.4	351.0	359.2
May	353.4	364.4	353.0	360.2
July	353.2	363.4	351.0	359.2
Sept	327.0	336.4	326.4	333.4
Dec	308.2	315.0	307.4	311.6

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
Feb	60.12	60.60	59.22	59.47
March	60.30	60.35	59.32	59.52
May	61.85	62.10	61.25	61.45
July	62.90	63.30	62.30	62.62
Aug	61.75	62.40	61.70	61.67

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Nov	888.0	910.4	865.4	895.4
Jan	880.4	922.0	879.0	909.0
March	889.0	932.0	889.0	919.0
May	889.4	931.0	889.4	919.4
July	880.4	922.0	880.4	910.4
Aug	847.0	891.0	847.0	875.0
Sept	766.0	800.0	768.0	785.0
Nov	695.4	721.0	694.0	713.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Oct	228.5	237.5	227.0	234.3
Dec	233.5	242.5	231.5	238.8
Jan	235.0	243.5	232.5	240.5
March	236.0	245.0	234.0	242.0
May	236.7	248.0	234.0	242.7
July	235.0	248.0	235.0	243.0
Aug	226.2	236.0	224.5	234.0
Sept	217.0	225.0	217.0	227.0
Oct	199.7	201.0	194.0	204.0
Dec	198.5	199.5	194.0	204.0

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	32.55	34.30	32.55	33.55
Dec	32.97	34.80	32.98	33.95
Jan	32.93	34.80	32.93	33.93
March	32.65	34.50	32.65	33.65
May	31.83	33.60	31.83	32.83
July	31.05	32.70	31.05	32.05
Aug	29.50	31.10	29.50	30.50
Sept	27.20	28.75	27.20	28.20
Oct	25.55	26.70	25.55	26.55
Dec	24.70	26.25	24.70	25.70

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Dec	371.2	378.2	371.0	376.0
March	386.4	394.2	384.2	392.2
May	392.0	398.6	392.0	396.2
July	386.0	391.6	385.4	389.6
Sept	393.0	398.4	393.0	397.4
Dec	404.4	410.2	404.4	409.0

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling weak

The dollar and sterling continued to weaken against other major currencies on expectations of lower interest rates in New York and London. The dollar opened on a weak note, but showed little change for most of the day, before closing around its best levels following the Federal Reserve's move to drain reserves from the New York money market by reverse repurchase agreements. European trading finished before the announcement of the U.S. August trade figures, but another very large deficit was expected.

Sterling tended to move in line with the dollar, losing ground on continued speculation about a fall in clearing bank base rates.

DOLLAR — Trade-weighted index (Bank of England) 127.2 against 123.0 six months ago. The dollar has retreated from the peaks touched in August, amid growing hopes that a sustained fall may be imminent following several weeks of good U.S. M1 money supply figures. An easing of the Federal Reserve monetary policy, leading to lower U.S. interest rates, has been anticipated for some time, but previous disappointments will encourage some market caution.

The dollar fell to DM 2.6440 from DM 2.6505 against the D-mark; FFr 8.0175 from FFr 8.0425 against the French franc; SwFr 2.1310 from SwFr 2.1405 in terms of the Swiss franc; and to Y236.80 from Y238.05 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. August average 1.5027. Trade-weighted index 84.2, against 84.1 at noon, 84.2 at the opening, 84.4 at the previous close, and 78.1 six months ago. The pound has been very steady recently, and the weakening against Continental currencies in sympathy with the dollar may now be welcomed. Sterling's recent performance, coupled with hopes of lower U.S. interest rates, has encouraged speculation about lower London interest rates.

The pound opened at $1.4985-$1.4995, and traded within a range of $1.4960 to $1.5025, before closing at $1.4985-1.4995, a rise of 15 points on the day. Sterling fell to DM 3.9650 from DM 3.9725; FFr 12.0150 from FFr 12.0450; SwFr 3.1975 from SwFr 3.21; and Y355 from Y357.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. August average 2.6736. Trade weighted index 126.3 against 131.1 six months ago. Until the recent easing of U.S. M1 money supply growth the D-mark had been at its lowest level against the dollar for nearly 10 years, reflecting the large differential between U.S. and German interest rates. A softer tone in U.S. rates together with a rise in the German Lombard rate have served to narrow the gap however, as the Bundesbank has moved to counter excessive money supply growth.

The dollar fell to DM 2.6382 from DM 2.6528 at yesterday's fixing in Frankfurt without any intervention by the Bundesbank, reflecting increased hopes of lower U.S. interest rates. Sterling was also lower at DM 3.9520 from DM 3.9730. Within the EMS the French franc fell to a record low of DM 32.915 per FFr 100 from DM 32.95 and the Belgian franc was also at a record low at DM 4.9310 from DM 4.9360 per BFr 100.

BELGIAN FRANC — Trading range against the dollar in 1983 is 54.49 to 45.90. August average 53.63. Trade weighted index 90.8 against 95.1 six months ago. The Belgian franc is showing signs of strain within the EMS as the D-mark starts to improve. This is mainly the result of a weaker dollar, with currencies like the D-mark proving to be more attractive than some of the weaker members such as the Belgian franc and Italian lira.

The Belgian central bank spent the equivalent of BFr 9.2bn in the week ending last Monday in support of the Belgian franc. This was more than double the previous week's total of BFr 4.5bn and serves to underline the growing weakness of the franc. At yesterday's fixing in Brussels the dollar was fixed at BFr 53.495, down from BFr 53.74, while the French franc rose to BFr 6.6795 from BFr 6.6790.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.8804	+2.18	+1.62	±1.5447
Danish Krone ...	8.14104	8.16381	+0.28	−0.28	±1.6425
German D-Mark	2.24184	2.26313	+0.95	+0.39	±1.0642
French Franc ...	6.87456	6.87134	−0.05	−0.61	±1.4052
Dutch Guilder ...	2.52595	2.53346	+0.30	−0.26	±1.4964
Irish Punt	0.72569	0.726381	+0.10	−0.46	±1.6689
Italian Lira	1403.49	1371.01	−2.31	−2.31	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Sept. 28	£	$		£ Note Rates
Argentina Peso...	19.16-19.23	12.797-12.817	Austria...	27.60-27.90
Australia Dollar...	1.6685-1.6705	1.1130-1.1135	Belgium...	81.00-81.80
Brazil Cruzeiro...	1,072.85-1,078.15	716.0-719.0	Denmark...	14.22-14.36
Finland Markka...	8.4750-8.4980	5.6580-5.6600	France...	11.95-12.07
Greek Drachma...	138.60-139.10	92.40-92.70	Germany...	3.93½-3.97½
Hong Kong Dollar	12.16¼-12.32¼	8.12-8.22	Italy...	2380-2410
Iran Rial...	130.5*	86.95*	Japan...	354-359
Kuwait Dinar (KD)	0.4353-0.4360	0.29055-0.29065	Netherlands...	4.40-4.44
Luxembourg Fr...	80.15-80.25	53.48-53.50	Norway...	11.00-11.10
Malaysia Dollar...	3.5160-3.5230	2.3465-2.3485	Portugal...	184-200
New Zealand Dlr.	2.2750-2.2800	1.5175-1.5200	Spain...	218½-233½
Saudi Arab. Riyal	5.2145-5.2185	3.4797-3.4802	Sweden...	11.70-11.80
Singapore Dollar	3.2060-3.2130	2.1400-2.1420	Switzerland...	3.18-3.21
Sth. African Rand	1.6490-1.6505	1.1000-1.1010	United States...	1.49-1.51
U.A.E. Dirham...	5.5025-5.5075	3.6720-3.6730	Yugoslavia...	185-190

* Selling rates.

CURRENCY MOVEMENTS

Sept. 28	Bank of England Index	Morgan Guaranty Change %
Sterling...	84.2	−7.0
U.S. dollar...	127.2	+15.7
Canadian dollar...	92.3	+1.1
Austrian schilling.	116.9	+3.5
Belgian franc...	90.8	−11.5
Danish kroner...	79.9	−5.1
Deutsche mark...	126.3	+7.3
Swiss franc...	152.4	+13.4
Guilder...	116.2	+4.7
French franc...	67.6	−14.4
Lira...	49.7	−11.6
Yen...	151.6	+9.5

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Sept. 28	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling ...	—	0.705371	0.572719
U.S. $ ...	8½	1.05714	0.858220
Canadian $...	9.52	*	1.05741
Austria Sch	3¾	19.6099	15.9114
Belgian F ...	9	56.5517	45.8804
Danish Kr...	7½	10.0587	8.16381
D mark ...	4	2.78895	2.26313
Guilder ...	5	3.12015	2.53346
French F...	9½	8.46875	6.87134
Lira ...	17	1688.78	1371.01
Yen ...	5½	250.754	203.711
Norwgn Kr...	8	7.78636	6.32336
Spanish Pta	—	160.249	130.123
Swedish Kr	8½	8.27952	6.71128
Swiss Fr ...	4	2.24959	1.82586
Greek Dr'ch	20½	97.9599	79.4196

* C$/SDR rate for Sept 27: 1.29927.

THE POUND SPOT AND FORWARD

Sept 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4960-1.5025	1.4985-1.4995	0.04c pm-0.01 dis	0.12	0.01pm-0.04d	−0.04
Canada	1.8440-1.8520	1.8475-1.8485	0.10c pm-par	0.32	0.10 pm-par	0.11
Nethlnd.	4.41½-4.44½	4.43¼-4.44¼	1⅝-1½c pm	3.72	3⅞-3¾ pm	3.27
Belgium	80.00-80.50	80.15-80.25	3c pm-7 dis	−0.30	2-12 dis	−0.35
Denmark	14.25-14.30	14.26-14.27	0.65ore pm-0.30dis	0.15	0.45-1.70dis	−0.30
Ireland	1.2660-1.2740	1.2695-1.2705	0.25-0.33p dis	−2.74	0.81-0.95dis	−2.77
W. Ger.	3.94½-3.97½	3.96-3.97	1½-1pf pm	3.78	3⅞-3¾ pm	3.66
Portugal.	185.00-186.50	185.50-186.00	155-415c dis	−18.41	675-1210dis	−20.30
Spain	227.00-228.00	227.30-227.50	220-300c dis	−13.72	760-920dis	−14.77
Italy	2,392-2,402	2,395½-2,397½	16⅛-18¼lire dis	−8.89	49½-53½ dis	−8.59
Norway	11.02-11.07½	11.03-11.04	2⅞-3⅞ore dis	−3.40	9½-10⅞ dis	−3.67
France	11.99-12.04	12.01-12.02	2⅞-3⅞c dis	−3.12	13½-15½dis	−4.83
Sweden	11.71-11.76	11.72¼-11.73¼	2.40-2.85ore dis	−2.68	8.15-8.85dis	−2.90
Japan	353-356	354½-355½	0.90-0.70y pm	2.70	2.45-2.25 pm	2.65
Austria	27.75-27.90	27.80-27.85	9⅞-7⅞gro pm	3.72	23⅞-19⅞ pm	3.11
Switz.	3.18-3.21	3.19¼-3.20¼	1⅞-1⅞c pm	5.16	4⅞-3⅞ pm	5.00

Belgian rate is for convertible francs. Financial franc 81.40-81.50. Six-month forward dollar 0.15-0.20c dis. 12-month 0.40-0.50c dis.

THE DOLLAR SPOT AND FORWARD

Sept 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4960-1.5025	1.4985-1.4995	0.04c pm-0.01 dis	0.12	0.01pm-0.04d	−0.04
Ireland†	1.1780-1.1825	1.1780-1.1790	0.29-0.25c pm	2.74	0.85-0.77 pm	2.74
Canada	1.2315-1.2330	1.2325-1.2330	0.04-0.01c pm	0.24	0.08-0.04 pm	0.19
Nethlnd.	2.9500-2.9630	2.9580-2.9600	1.02-0.92c pm	3.94	2.50-2.40 pm	3.32
Belgium	53.47-53.60	53.48-53.50	par-3c dis	−0.34	2-6 dis	−0.30
Denmark	9.5100-9.5225	9.5125-9.5175	¼ore pm-¼ dis	—	¼-¾ dis	−0.21
W. Ger.	2.6340-2.6450	2.6435-2.6445	0.90-0.85pf pm	3.98	2.52-2.47 pm	3.78
Portugal	123.70-124.20	123.80-124.10	110-280c dis	−18.87	450-800dis	−20.16
Spain	151.65-151.95	151.85-151.95	150-195c dis	−13.65	450-550dis	−13.19
Italy	1,596½-1,600	1,598½-1,599½	10½-11½lire dis	−8.07	31½-33½dis	−8.13
Norway	7.3575-7.3700	7.3575-7.3625	1.95-2.25ore dis	−3.42	6.20-6.50dis	−3.45
France	8.0000-8.0250	8.0150-8.0200	2.00-2.15c dis	−3.11	8.70-9.10dis	−4.45
Sweden	7.8200-7.8330	7.8225-7.8275	1.75-1.95ore dis	−2.83	5.40-5.60dis	−2.81
Japan	235.80-237.30	236.75-236.85	0.55-0.45y pm	2.54	1.65-1.55 pm	2.71
Austria	18.54-18.59½	18.57½-18.58½	6.00-5.40gro pm	3.68	16-14 pm	3.23
Switz.	2.1235-2.1330	2.1305-2.1315	0.92-0.87c pm	5.05	2.72-2.67 pm	5.08

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 54.30-54.35.

EXCHANGE CROSS RATES

Sept. 27	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.499	3.965	355.0	12.015	3.198	4.438	2397.	1.848	80.20
U.S. Dollar	0.667	1.	2.645	236.8	8.015	2.133	2.960	1599.	1.233	53.50
Deutschemark	0.252	0.378	1.	89.53	3.030	0.806	1.119	604.4	0.466	20.23
Japanese Yen 1,000	2.817	4.223	11.17	1000.	33.85	9.007	12.50	6751.	5.206	225.9
French Franc 10	0.832	1.248	3.300	295.5	10.	2.661	3.693	1995.	1.538	66.75
Swiss Franc	0.313	0.469	1.240	111.0	3.758	1.	1.388	749.6	0.578	25.08
Dutch Guilder	0.225	0.338	0.894	80.00	2.708	0.721	1.	540.1	0.416	18.07
Italian Lira 1,000	0.417	0.625	1.654	148.1	5.014	1.334	1.852	1000.	0.771	33.47
Canadian Dollar	0.541	0.811	2.146	192.1	6.502	1.739	2.401	1297.	1.	43.40
Belgian Franc 100	1.247	1.869	4.944	442.6	14.98	3.987	5.533	2988.	2.304	100.

MONEY MARKETS

London rates slightly firmer

UK clearing bank base lending rate 9½ per cent (since June 14)

Bank of England dealings rates were unchanged again yesterday, but the market remained optimistic of an early cut in clearing bank base rates despite yesterday's weakness of sterling against Continental currencies. The decline of the pound was in line with movements of the dollar, which was also weak against other major currencies after the latest M1 money supply figures and a fall in the Federal funds overnight rate.

Fed funds opened at 8¼ per cent in New York in confused conditions caused by Tuesday's fall to 7½ per cent as a result of a computer breakdown at a major bank. Shortly before lunch the rate moved up to 8¾-9 per cent after the Federal Reserve intervened to drain reserves.

The Bank of England forecast a London money market shortage of £300m, and provided total help of £354m.

Before lunch the authorities bought £1m bank bills outright in band 1 (up to 14 days maturity) at 9 5/16 per cent, plus £343m bills for resale on October 12 at 9¾ per cent.

No further bill purchases were made in the afternoon, but the Bank of England gave late assistance to the market of £10m.

Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills from Friday's tender drained £148m. The market was also faced with the unwinding of bill repurchase agreements amounting to £486m, while a rise in the note circulation absorbed another £70m.

Despite the continued optimism about a reduction in base rates, the money market grew slightly nervous at the lack of any signal from the authorities. Discount houses buying rates for bills showed a slightly firmer trend, and sterling interbank rates were about 1/16 higher, with three-month rising to 9½-9⅝ per cent from 9 7/16-9 9/16 per cent.

In Paris interest rates were unchanged, with call money steady at 12⅝ per cent, despite the recent weakness of the franc against the D-mark.

LONDON MONEY RATES

Sept. 28 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ф	Eligible Bank Bills ф	Fine Trade Bills ф
Overnight...	—	2-10	9⅞-10	—	—	9¾-10⅛	8½-10	—	—	—
2 days notice...	—	—	9⅞	—	—	—	—	—	—	—
7 days or...	—	—	—	—	—	10-10⅛	—	—	—	—
7 days notice...	—	9¾-10	9⅞	—	—	—	9½-9⅝	—	—	—
One month...	9¾-9⅝	9 11/16-9¾	9⅝	10-9⅝	9⅝	9⅞-10	9¼	9 1/16	9⅜-9 7/16	10 1/16
Two months...	9 7/16-9 9/16	9½-9⅝	9⅝	9⅞-9½	9⅝	9⅞	9	9⅛-9 3/32	9⅛-9 3/32	9 9/16
Three months.	9½-9⅝	9½-9⅝	9½	9⅞-9½	9⅝	9⅞	8¾-9	8 15/16-9	9 1/16	9 9/16
Six months...	9 9/16-9 11/16	9½-9⅝	9½	9⅜-9	9⅝	—	—	—	9-9 1/16	9⅝
Nine months...	9½-9⅝	9 9/16-9¾	9⅝	9⅞-9½	9¾	—	—	—	—	—
One year...	9 9/16-9 11/16	9 11/16-9 13/16	9¾	9⅞-9½	9⅞	—	—	—	—	—
Two years...	—	—	10½	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period August 2 to September 6 1983 (inclusive) 9.930 per cent.

Local authorities and finance houses seven days' notice others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞ per cent; four years 11 per cent; five years 11⅛ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four months' banks bills 9 1/32-9 1/16 per cent; four months' trade bills 9 21/32 per cent.

Approximate selling rate for one-month Treasury bills 9 1/16 per cent; two months 9 1/32-9 1/16 per cent and three months 8 27/32-8⅞ per cent. Approximate selling rate for one month bank bills 9 3/16 per cent; two months 9 3/16 per cent and three months 8 31/32 per cent; trade bills 9 11/16 per cent; two months 9 21/32 per cent and three months 9 21/32 per cent.

Finance Houses Base Rate (published by the Finance Houses Association) 10 per cent from September 1 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 8.9826 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9⅝ per cent; one-three months 9⅝ per cent; three-six months 10 per cent; six-12 months 10⅛ per cent. Under £100,000 9½ per cent from September 13. Deposits held under Series 4-5 10 per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept. 28	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling...	9¾-10	9¾-9⅞	9⅝-9¾	9½-9⅝	9½-9⅝	9¾-9⅞
U.S. Dollar...	8⅝-8⅞	8¾-9	9¼-9½	9⅜-9⅝	9⅝-9⅞	9⅞-10⅛
Can. Dollar...	9½-10	9½-10	8 11/16-9 1/16	9-9¼	9¼-9½	9⅝-9⅞
D. Guilder...	5⅝-5⅞	5⅝-5⅞	5⅞-6	6⅛-6¼	6¼-6⅜	6⅛-6⅜
S. Franc...	1¾-2	7⅝-7⅞	4⅛-4⅜	4 1/16-4¼	4 1/16-4 5/16	4 11/16-4 13/16
Deutschm'rk	5 1/16-5 3/16	5 1/16-5 3/16	5¼-5½	5⅝-5¾	5⅞-6	6 3/16-6 5/16
Fr'nch Franc	12⅛-12⅝	12⅝-12⅞	13½-13¾	14¼-14¾	15¾-16	16⅛-16⅜
Italian Lira...	15¾-16¾	16½-18½	17¾-18¼	17¾-18½	18¼-18¾	18½-19¼
Belg. Franc...						
Conv...	8½-9	9-9½	9½-10	9¾-10¼	10-10½	10¼-10¾
Fin...	8¾-9¼	9-9¼	8⅞-9⅛	9⅝-9⅞	10-10¼	10⅛-10⅜
Yen...	6⅝-6⅞	7⅛-8	6½-6⅝	6½-6⅝	6¾-6⅞	6¾-6⅞
D. Krone...	8⅝-9⅛	8½-9	9⅝-10⅛	10-10½	10⅛-10⅝	10½-11
Asia $ (Sing.)	9⅝-10	9 1/16-9 3/16	9⅜-9½	9 7/16-9 9/16	9⅝-9¾	9 15/16-10 1/16

FT LONDON INTERBANK FIXING

(11.00 a.m. SEPTEMBER 28)

3 month U.S. dollars		6 month U.S. dollars	
bid 9 7/16	offer 9 9/16	bid 9 5/8	offer 9 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	8¾-9
Treasury bills (13-week)	8.50
Treasury bills (26-week)	8.73

GERMANY

Lombard	5.5
Overnight rate	5.525
One month	5.65
Three months	5.80
Six months	6.25

FRANCE

Intervention rate	12.25
Overnight rate	12.625
One month	12.4375
Three months	12.4375
Six months	12.5625

JAPAN

Discount rate	5.5
Call (unconditional)	6.71875
Bill discount (3-month)	6.84375

SWITZERLAND

Discount rate	4
Overnight rate	6¾-7¼
One month	4⅜-4½
Three months	4⅜-4½

NETHERLANDS

Discount rate	5½
Overnight rate	5⅞-6⅛
One month	5⅞-6
Three months	6⅛-6¼
Six months	6¼-6⅜

$ CERTIFICATES OF DEPOSIT

One month	9.20-9.30
Three months	9.25-9.35
Six months	9.40-9.50
One year	9.65-9.85

LONG TERM EURO $

Two years	10⅞-11⅛
Three years	11⅛-11⅜
Four years	11⅛-11⅜
Five years	11⅛-11⅜

SDR LINKED DEPOSITS

One month	8 9/16-8 11/16
Three months	8⅞-9⅛
Six months	9 1/16-9 3/16
One year	9 5/16-9 7/16

ECU LINKED DEPOSITS

One month	8⅞-9
Three months	9 1/16-9 3/16
Six months	9½-9⅝
One year	9 13/16-10 1/16

FINANCIAL FUTURES

Confused trading

Euro-dollar prices were a little firmer in the London International Financial Futures Exchange yesterday. Trading was a little confused as the market had to deal with Tuesday's fluctuations in the Fed Funds rate. A closing rate of around 8 per cent tended to reflect technical problems within the system and the market was left wondering exactly where rates should be. This would obviously give some indication as to the Fed's policy on interest rates.

The December Euro-dollar price opened at 90.31 up from 90.29 and touched a high of 90.38 before easing to close at 90.32. The equivalent contract in Chicago was quoted at 90.02 in early trading down from 90.03, tending to underline market uncertainty.

Gilt prices failed to hold early gains, reflecting a softer tone in cash markets and concern about sterling's steady decline. The December price opened at 107-25 from 107-24 at Tuesday's close and dipped to a low of 107-12 before closing at 107-13.

Short sterling contracts traded very quietly reflecting very little movement in the cash market. Trading was inhibited to some extent because the market's persistent hopes of an early cut in clearing bank base rates have been countered by the Bank of England's reluctance to signal such a move by cutting dealing rates. The December short sterling price opened at 90.75, unchanged from Tuesday's close and traded within a six point spread before finishing at 90.74.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	90.32	90.38	90.31	90.29
March	89.98	90.06	89.98	89.98
June	89.75	89.80	89.75	89.74
Sept	89.43	—	—	89.47
Dec	89.33	—	—	89.35

Volume 1,863 (2,086)
Previous day's open int. 6,047 (6,100)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
Dec	90.74	90.78	90.72	90.75
March	90.48	90.53	90.48	90.50
June	90.23	90.25	90.23	90.25
Sept	90.00	—	—	90.00
Dec	89.96	—	—	89.96

Volume 642 (647)
Previous day's open int. 4,585 (4,420)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Sept	105-10	105-10	105-07	105-18
Dec	107-13	107-24	107-12	107-24
March	106-30	—	—	107-09
June	106-16	—	—	106-27
Sept	106-02	—	—	106-13

Volume 2,040 (2,476)
Previous day's open int. 3,578 (3,634)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract −2 to 04 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.5008	1.5020	1.4983	1.4981
March	1.5022	1.5022	1.5005	1.5000
June	—	—	—	—

Volume 553 (168)
Previous day's open int. 649 (666)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3820	0.3824	0.3817	0.3799
March	0.3854	—	—	0.3833
June	—	—	—	—

Volume 74 (33)
Previous day's open int. 464 (467)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.4748	0.4750	0.4744	0.4712
March	—	—	—	—
June	—	—	—	—

Volume 50 (5)
Previous day's open int. 126 (126)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4256	0.4260	0.4248	0.4217
March	0.4286	—	—	0.4247
June	—	—	—	—

Volume 40 (3)
Previous day's open int. 203 (201)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	72-20	73-00	72-14	72-23
March	72-02	72-14	71-29	72-06
June	71-19	71-31	71-15	71-23
Sept	71-08	71-18	71-04	71-11
Dec	70-30	71-09	70-26	71-01
March	70-22	70-28	70-18	70-25
June	70-15	70-21	70-11	70-18
Sept	70-09	70-12	70-05	70-12
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.02	91.14	90.98	91.08
March	90.64	90.76	90.63	90.69
June	90.39	90.49	90.39	90.41
Sept	90.15	90.23	90.15	90.15
Dec	89.96	90.00	89.93	89.93
March	—	89.80	89.75	89.74
June	—	89.60	89.57	89.55
Sept	—	89.40	—	89.36

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	90.84	90.90	90.83	90.82
Dec	90.42	90.55	90.39	90.46
March	90.02	90.14	90.00	90.06
June	89.73	89.85	89.73	89.77

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	89.99	90.11	89.97	90.03
March	89.64	89.77	89.62	89.66
June	89.40	89.50	89.37	89.40
Sept	89.19	89.23	89.15	89.16
Dec	88.97	89.00	88.92	88.95
March	88.78	88.78	88.70	88.75

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Dec	1.5020	1.5030	1.4980	1.4975
March	1.5045	1.5045	1.5000	1.5000
June	1.5030	1.5060	1.5030	1.5025
Sept	—	1.5080	—	1.5060
Dec	—	—	—	—
March	—	—	—	—

GNMA (CBT) $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	68-29	69-11	68-28	69-03
March	68-01	68-13	68-00	68-06
June	67-11	67-21	67-11	67-15
Sept	66-27	67-01	66-26	66-30
Dec	66-12	66-19	66-12	66-16
March	—	—	—	—
June	—	—	—	65-25
Sept	—	—	—	65-18
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—

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COMPANY NOTICE

ASSOCIATED ELECTRICAL INDUSTRIES LIMITED
6% DEBENTURE STOCK 1978/83

The register of stockholders of the above-mentioned stock will be closed from 7th October 1983 to 31st October 1983, both days inclusive, for the preparation of interest and capital repayment warrants dated 31st October 1983.

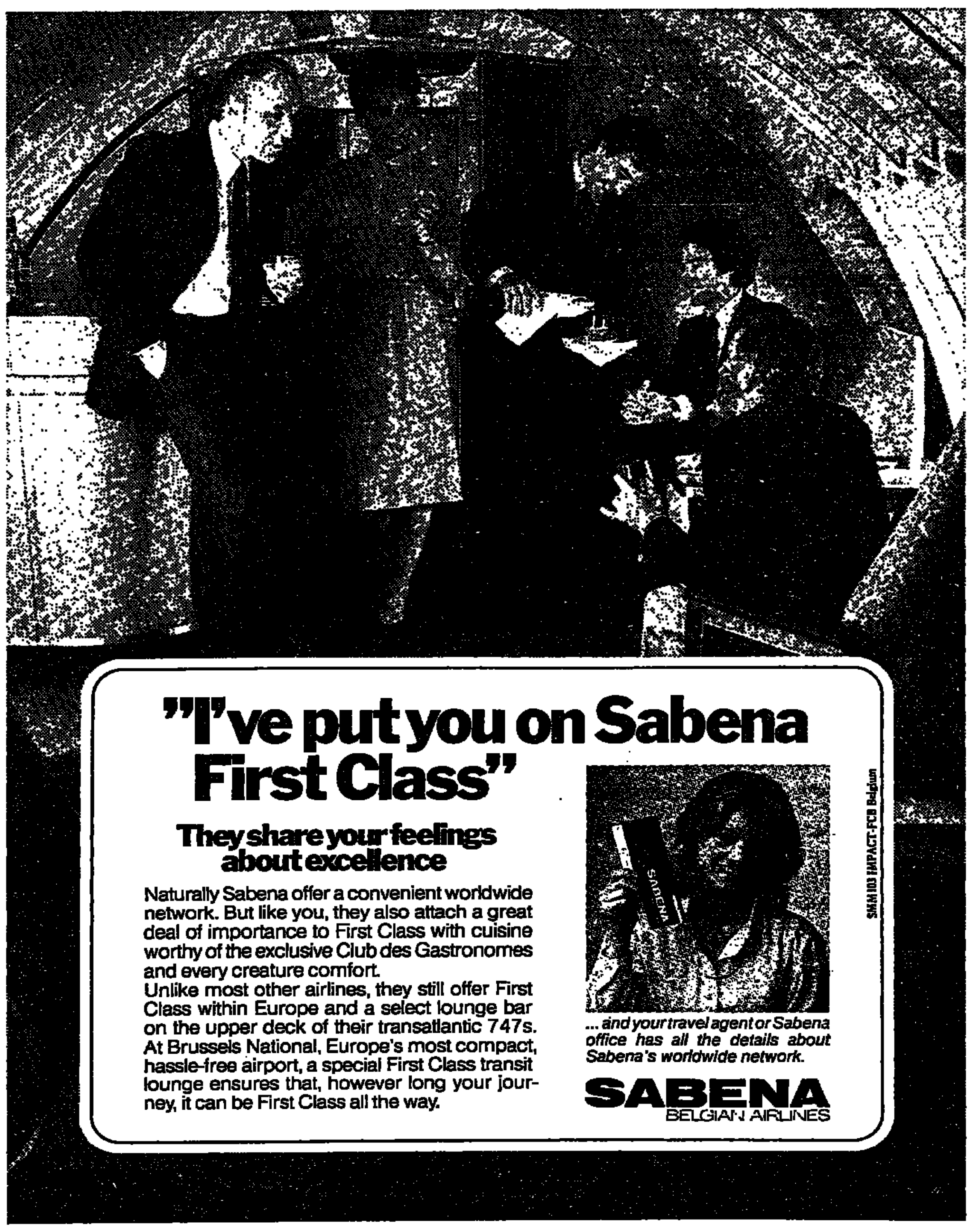
By Order of the Board
J. H. CHAPLIN
Secretary

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)
ONTARIO & QUEBEC RAILWAY COMPANY
5% DEBENTURE STOCK

In preparation for the payment of the half-yearly interest payable on December 1 next, the Debenture Stock Transfer Books will be closed at 3.30 p.m. on November 1 and will be re-opened on December 2 1983.

W. E. REEVE,
Deputy Secretary.

50 Finsbury Square,
London EC2A 1DD.
September 29 1983.



INTERNATIONAL CAPITAL MARKETS

INTERNATIONAL CREDITS

Syndication success for Swedish loan

BY MARGARET HUGHES IN LONDON

THE JUMBO sterling loan for Sweden has been as successful in syndication as it has at lead manager level, Samuel Montagu said yesterday. Last night some £160m had been raised in general syndication from 32 banks, with one or two replies still outstanding. This brings the total number of banks participating in this £500m loan to 84. Allocations will be determined before the end of the week.

Meanwhile the Korea Development Bank has awarded the mandate for its $500m loan to a group of 11 banks. These are BA Asia, Bank of Tokyo, BT Asia, Chase Manhattan Asia, Chemical Asia, Deutsche Bank (Asia Credit), Gulf International Bank, Industrial Bank of Japan, Midland Bank, Morgan Guaranty Trust and Orion Royal Pacific.

The eight year loan will be split into a $300m Libor (London inter-bank offered rate) tranche and a $200m prime tranche. The Libor tranche will have a margin of ⅝ per cent over Libor for the first six years rising to ⅞ per cent for the last two. The margin on the prime tranche will be 20 basis points with a cap of 135 basis points.

These terms give the state-owned bank more favourable terms than the preceding Korean borrower, the Ex-Im-Bank, where the Libor margin was ¾ per cent for the first four years rising to ⅞ per cent over the remaining four, with the prime tranche carrying a margin of 25 basic points with a cap of 140.

Banks are reacting cautiously to Portugal's soundings for a $300m loan. In talks held last Friday in New York with seven banks Portuguese officials are understood to have said they were looking for a seven year loan with a margin of ⅞ over Libor.

The margins on the $300m raised earlier this year by the Republic were a spread of ⅞ per cent over Libor and 45 basis points on the prime tranche. This loan proved difficult to syndicate, however, with a sell-down of only $29m even after an extension of the syndication period.

The seven banks which have already had discussions with Portugal are Barclays, Lloyds, Citibank, Chase Manhattan, Manufacturers Hanover, Bank of Tokyo and Industrial Bank of Japan. Portuguese officials are understood to be approaching other banks in Washington this week.

At this stage Portugal is not seeking a sterling tranche although this may be proposed by some of the banks. Not so Greece, which is seeking a complicated four tranche deal for the $200m to $250m credit for its Public Power Corporation. It wants the bulk of the financing in dollars

All of these Securities have been sold. This announcement appears as a matter of record only.

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September 22, 1983

EUROBONDS

Britoil increases issue to $125m

By Mary Ann Sieghart in London

BRITOIL's $100m, 11⅞ per cent Eurodollar bond launched on Monday has been increased to $125m, lead manager Goldman Sachs announced yesterday. The bond was initially very well received and was still trading at a discount of only ⅜ point after the increase.

Also increased yesterday was last Friday's $100m deal for Comsat, the U.S. satellite company. Credit Suisse First Boston said that the amount would now be $110, making it one of the largest convertibles in the Eurobond market's history. The bonds will carry a coupon of 7.75 per cent and a conversion price of $48⅞ per share. When the price was fixed, Comsat's shares were trading at $42½.

Mitsui Engineering is due to launch a $50m, five-year bond with equity warrants today. The lead manager will be Nomura International.

Turnover in the dollar secondary market was low yesterday and prices closed unchanged.

The Mortgage Bank of Denmark's SwFr 80m public issue was given a coupon of 6¼ per cent at par by Credit Suisse yesterday, as indicated.

Secondary market prices in Switzerland closed unchanged on the day, while in the D-Mark sector, they rose by ⅛ point.

Natwest in £2m loan to Colombia

By Our Euromarkets Staff

NATIONAL Westminster is the latest British bank to extend a loan to Colombia, which, with Paraguay, are the only two Latin American countries that have not had to reschedule.

NatWest Export Finance is opening a general line of credit for £2m supported by the Export Credits Guarantee Department. It will be the first such credit to be offered by a UK bank to Colombia. The facility is being made available through Banco de Bogotá.

Earlier this month, Midland Bank announced that it was participating in a $22m loan to provide finance and equity for a $102m cement project in Colombia. Midland's participation amounted to $6m, while the International Finance Corporation (IFC) provided $11m, Crédit Commercial de France $3m and the Danish Industrialisation Fund for Developing Countries $2m. The IFC is also contributing $5m in equity.

Meanwhile, Midland Bank's subsidiary, Samuel Montagu, is putting together a financial package to support a bid by a British consortium led by GEC for the £400m mass transit project at Medellin, the republic's second largest city.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for September 28.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	94⅛	94⅝	0	+0⅞	11.46
Bank of America 8 88 XW	150†*	86	87	+0⅛	0	12.05
Bank of Tokyo Hold 11 90	100	94⅝	95⅛	−0⅛	+0½	12.15
British Col Hyd 10¼ 88	200	96⅞	97⅜	+0⅛	+0⅝	11.06
C.C.C.E. 11¾ 97	100	94¼	94¾	0	+1	12.58
Can Imp Bk Com 11 90	75	92⅝	93⅜	+0⅛	+1¼	12.59
Citicorp O/S 10⅞ 90	100	92⅝	93⅛	−0⅜	+0⅜	11.98
Coca Cola Int 9⅞ 92	100	93⅝	93⅞	−0¼	+0½	11.03
Cred Suisse BAH 10½ 90	150†	96¼	96¾	−0½	+1⅜	11.25
Credit Suisse 10½ 89	100†	99⅜	99⅞	+0⅜	+1½	10.58
Den Norsk Cred 11¼ 93	50	93⅞	94⅜	+0⅛	+1⅝	12.30
Du Pont 11¼ 95	150	99⅜	99⅞	−0¼	+0⅞	11.29
E.C.S.C. 11⅞ 90	75	99¾	100¼	0	+0⅝	11.86
E.D.C. 10¾ 88	100	97⅝	98⅛	+0⅛	+0½	11.36
E.D.C. 11¾ 87	100	101⅛	101⅝	0	+1	11.28
E.D.F. 11⅛ 93	100	93⅜	93⅞	0	+1⅛	12.25
E.E.C. 10¾ 95	75†*	90⅛	90⅝	+0⅝	+1½	12.31
E.E.C. 11 87	350	98½	99	−0⅛	+0¼	11.38
E.I.B. 10¾ 93	200	92⅝	93⅛	0	+0⅝	12.01
E.I.B. 11 91	125	95⅝	96⅛	0	+0¾	11.83
Electrolux 10½ 88	50	91⅝	92⅛	0	+0⅛	12.33
Ensearch Fin 11⅝ 93	100	96	96½	−0⅛	+1	12.28
Fuji Int Fin 10⅞ 90	100†	93¼	93¾	−0¼	+0¾	12.33
Gen Elec Credit 9¾ 91	100	92⅝	93⅛	−0½	+0⅞	11.15
GMAC O/S Fin 10½ 90	200	96½	97	−0⅝	−0⅛	11.21
Honeywell Int 10¾ 90	100	97⅞	98⅜	−0⅛	+0⅞	11.14
Indust Bk Japan 10⅞ 88	100	97⅞	98⅜	+0⅛	+0¾	11.38
Japan Air Lines 10⅞ 98	42	93½	94	−0⅛	+2⅛	11.77
Japan Air Lines 11 93	75	95⅝	95⅞	0	+0¾	11.76
J. P. Morgan 11⅞ 90 WW	150	98⅞	99⅜	0	+0⅛	11.55
Levi Strauss Int 11 90	75	97¼	97¾	+0⅛	+1	11.53
L.T.C.B. 10¾ 90	100	93⅝	94⅛	−0⅛	+1⅜	12.11
L.T.C.B. 12½ 90	85	102⅛	102⅝	0	+0⅛	11.88
Merrill Lynch 10⅝ 90	200	96½	97	0	+1⅛	11.32
Midland Int Fin 11½ 92	150	97½	98	0	+0¾	11.90
Mitsubishi Corp 10½ 90	100	94⅛	94⅝	0	+0⅞	11.74
Mitsubishi Fin 11⅝ 90	100	95⅝	96⅛	0	+1	12.28
Nippon Credit 11 90	100	94¼	94¾	−0⅛	+0¾	12.23
O.K.B. 10 91	100	90½	91	−0⅛	+1	11.89
Ontario Hydro 10¼ 90	250	93⅜	93⅞	−0⅛	+0½	11.65
Ontario Hydro 11¼ 89	200	99⅞	100⅜	+0⅛	+0⅞	11.19
Ontario Hydro 12¾ 92	200	104½	105	+0⅛	+1½	11.86
Prudential O/S 10⅝ 93	100	95¾	96¼	+0⅛	+0⅝	11.31
Prudential O/S 12¾ 87	150	104⅜	104⅞	0	0	11.25
Saskatchewan Pr 10¾ 90	125	95⅝	96⅛	+0⅛	+1⅜	11.66
S.N.C.F. 11½ 93	100	96½	97	+0⅛	+1⅛	12.06
Sth Cal Edison 10½ 90	75	96½	97	0	+1⅛	11.10
Sumitomo Fin 10⅞ 90	100	93⅜	93⅞	−0⅛	+0⅝	12.30
Swiss Bk Corp 10¼ 90	250†	98¼	98¾	+0⅛	+1⅜	10.56
Texaco Capital 9¾ 90	150	94⅝	95⅛	0	+1	10.87
U.B.S. 10 88	100	97⅜	97⅞	+0½	+1⅛	10.65
U.B.S. 11 89	150	101½	102	+0¼	+0⅞	10.68
Westpac Int Fin 11 90	100†*	93	94	0	0	12.46
World Bank 10⅝ 88	150	96⅝	97⅛	−0⅛	+0⅝	11.22
World Bank 10⅞ 93	100	94⅝	95⅛	0	+0¾	11.77
World Bank 11¼ 88	100	98¾	99¼	0	−0⅛	11.51
World Bank 11½ 90	150	98½	99	+0⅛	+0⅝	11.76

Av. price changes: on day 0, on week +¾

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅞ 93	100	98¼	99	+0⅛	+0⅜	7.57
A.N.A.S. 8¼ 88	100	99	99½	0	0	8.43
Austria, Rep 7⅝ 89	100	98½	99	+0⅛	+0¼	7.89
Austria, Rep 8 93	100	99⅝	100⅛	0	+0⅛	8.01
Avon Int Fin 7½ 93	100	98½	99	0	+0½	7.68
B.F.C.E. 8¼ 90	150	99⅜	99⅞	+0⅜	+0¾	8.31
Comp Tel Nac Esp 8¼ 93	100	94½	95¼	−0⅛	−0⅛	9.06
Deutsche Bank 3¾ 91 WW	240	107¼	108¼	+0⅛	+1⅜	2.82
Deutsche Bank 3¾ 91 XW	240	80½	81¼	+0¼	+0⅜	7.87
Dresdner Finance 4 90 WW	250	108⅞	109⅝	−0¼	0	2.49
Dresdner Finance 4 90 XW	250	83	83¾	+0⅛	−0⅛	7.19
E.C.S.C. 8 90	160	100⅛	100⅝	+0⅛	+0½	7.92
E.E.C. 8¼ 93	250	100⅜	100⅞	−0⅛	+0¼	8.14
Eurofima 7½ 90	100	98⅜	98⅞	+0⅛	−0¼	7.76
Finland Rep 7½ 88	150	98⅞	99⅜	+0⅛	+0⅛	7.72
Int-Am Dev Bk 7¾ 93	200	95⅜	95⅞	+0⅛	+0¾	8.42
Int Standard Ele 7¾ 93	100	99⅛	99⅝	+0¼	+0½	7.84
Japan Dev Bank 7½ 90	100	99¼	99¾	0	+0¼	7.59
Kobe City 7 93	120	95⅜	95⅞	+0¼	+0¼	7.66
L.T.C.B. 8 90	100	101	101½	−0⅛	+1¼	7.75
Renault Acceptance 8 90	150	97½	98	+0⅛	+0¼	8.44
S.D.R. France 7⅞ 93	100	96⅜	96⅞	−0⅛	+0⅛	8.39
Sth African Tran 8¼ 90	100	98¾	99¼	0	−0⅛	8.44
Volkswagen Int 7¼ 93	200	96⅞	97⅜	+0½	+1⅜	7.68
World Bank 7½ 90	250	96¾	97¼	+0⅛	+0¼	8.09
World Bank 7½ 93	300	95⅝	96⅛	+0¼	+0¼	8.13

Av. price changes: on day +⅛, on week +⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
AKZO 5⅝ 93	100	99	99¼	0	+0⅛	5.74
Bank of Tokyo 6 91	100	101¾	102	+0⅛	+0⅛	5.70
Bergen, City of 5¾ 95	40	99¾	100	−0⅛	+0½	5.76
Carls-Tuborg Brw 5¾ 93	60	101½	101¾	−0¼	+0¾	5.62
Denmark 6⅝ 91	100	102¾	103	+0¼	+0¼	5.98
E.D.C. 5⅜ 91	100	99½	99¾	0	+0¾	5.43
E.I.B. 5¾ 93	100	99	99¼	0	+1	5.87
Ex-Im Bk Japan 5⅝ 91	100	98½	98¾	0	+0¼	5.85
Ind Fund Finland 6¼ 91	40	101	101¼	0	+0½	6.06
Int-Am Dev Bk 6⅛ 93	100	101½	102	+0½	−0⅜	5.88
Japan Dev Bank 5½ 93	100	97¾	98	−0¼	−0½	5.79
Japan Dev Bank 5⅛ 93	100	99¼	99½	0	0	5.96
Kansai Elec Power 6 91	100	102⅝	102⅞	+0¼	+0¾	5.55
Kawasaki Steel 6⅛ 91	100	101	101¼	−0¼	−0½	5.93
Montreal Urban 5¾ 93	100	101	101¼	−0¾	0	5.59
Mount Isa Finance 6 93	100	102½	102¾	−0¼	−0¼	5.64
Nisshin Steel 6¼ 91	100	100	100¼	0	+0¼	6.23
Osterr Draukraft 6 93	100	102¼	102½	+0¼	+0⅛	5.67
Osterr Post 6⅛ 91	100	102⅝	102⅞	+0⅛	−0⅛	5.71
Quebec Hydro 6½ 93	100	100¼	100½	−0⅛	+0⅛	5.44
Sekisui House 6 93	100†	101	101½	+0⅛	+0⅛	5.82
Sumitomo Heavy Ind 6 91	100	99¼	99½	+0½	+0¼	6.10
Sumitomo Metal Ind 6 91	100	100¾	101	−0¼	−0¼	5.85
Tokyo Elec Power 5⅞ 91	100	100	100¼	+0¼	+0¼	5.85
Trizec Corp 6¼ 91	100	101¼	101½	0	−0½	6.01
World Bank 5⅝ 93	100	97¾	98	+0½	+0⅛	5.92

Av. price changes: on day 0, on week +⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	104	104¾	0	+0⅛	7.93
E.I.B. 8¼ 92	15	102⅛	102⅝	0	+0⅛	7.85
Japan Airlines 7⅞ 87	31†	101⅜	102⅛	0	+0⅛	7.17
New Zealand 7⅞ 89	15	101⅞	102⅜	−0⅛	−0⅛	7.37
World Bank 8⅛ 92	20	103⅛	103⅝	−0¼	+0¼	7.80

Av. price changes: on day −⅛, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Can Pac Secs 11¾ 90 C$	75†	97½	98	0	−0⅛	12.35
Chart Franca 11⅞ 95 C$	40†	93⅜	93⅞	0	−0⅛	12.96
Farm Credit 12¼ 90 C$	75†	99¼	99¾	−0⅛	+0⅜	12.31
Norcan 12¾ 93 C$	80†	96	96½	−0⅛	+0⅛	13.44
TD MTG Corp 12½ 88 C$	40†	99⅞	100¼	0	+0⅛	12.40
Quebec Province 12 93 C$	50†	99⅜	99⅞	0	+0¾	12.18
Xerox Canada 12 88 C$	40†	101½	102	0	+1½	11.50
Forsmarks 11½ 98 ECU	40	103¼	104	0	+0¾	10.87
Svenska 11¼ 91 ECU	40	98⅝	99⅛	−0⅛	+0½	11.42
Algemene Bank 8¾ 88 Fl	150	100	100½	0	0	8.60
Bank Mees & Hope 9 88 Fl	75	101	101½	0	+0⅛	8.65
Elect Supply 8¾ 88 Fl	75	96⅝	97¼	+0⅛	+0¼	9.56
P.R.P. 10¾ 88 Fl	50	99⅞	100⅜	+0⅛	+0⅛	9.71
Swed Exp Cred 7¾ 88 Fl	100	95½	96	+0⅜	+0⅛	8.91
World Bank 9 89 Fl	100	101⅝	102⅛	0	+0¼	8.51
O.K.B. 14 86 FF	400	100½	101½	−0⅛	−0⅛	13.37
Solvay & Cie 14¾ 86 FF	200	101⅞	102⅞	0	0	13.44
B.F.C.E. 11½ 88 £	50	97⅞	98⅜	+0⅛	+0⅜	11.97
British Oxyg 11¾ 91 £	50	100½	101	−0¼	−0¼	11.59
CEPME 11¼ 95 £	35†	98½	99½	+0½	+0⅜	11.39
E.E.C. 11⅞ 91 £	50	99⅝	100⅛	+0⅛	+0¼	11.84
Fin For Ind 10½ 90 £	20	94⅞	95⅛	−0⅛	−0⅝	11.69
Fin For Ind 12¼ 88 £	30	103⅛	104⅛	0	+0½	11.20
Finland Rep 11⅞ 88 £	50	98⅞	99½	0	0	12.11
Fin Mat Oranj 12⅛ 92 £	30	101½	102¼	−0⅛	−0¼	12.26
Gen Elec Co 12½ 89 £	50	102⅝	103⅜	−0½	0	11.71
Mort Bk Fin 11¾ 89 £	15	96⅞	97⅞	+0¼	+0½	12.56
Norsk Hydro 12 90 £	90	102¼	103	−0⅛	+0⅞	11.36
S.N.C.F. 11½ 88 £	30	96⅞	97⅝	+0¼	+0½	12.15
Sweden 11¼ 93 £	50	95½	96¼	0	+1	11.97
Swed Exp Cred 11⅛ 88 £	30	97	97¾	−0⅛	+0⅜	11.97
World Bank 11⅛ 88 £	100	97¾	98½	0	+0¾	11.83
World Bank 11⅞ 91 £	75	99⅝	100½	0	+0½	11.92
Euratom 11 93 LuxFr	500	101⅛	102⅛	−0⅛	−1⅛	10.60
Europarat 10¾ 93 LuxFr	600	102¾	103¾	−0¼	+0⅝	10.18

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 87	0¼	99⅝	99⅞	27/1	10⅞	10.90
B.F.C.E. 5⅛ 88	0⅛	99½	99¾	28/1	10.18	10.21
Caisse Nat Tele 5¼ 90	0⅛	99⅛	99½	21/10	9.56	9.62
C.C.F. 5¼ 95	0¼	99¼	99½	7/10	10.19	10.25
C.C.F. 5¼ 98	0¼	99¾	100	24/3	10.19	10.20
Cepme 5⅛ 88 WW	0⅛	99½	100	3/12	10.56	10.59
Cepme 5¼ 92	0¼	99⅝	99⅞	18/12	10½	10.53
Chemical NY 5¼ 94 ††	0¼	100⅝	100⅞	23/12	10	9.93
C.N.C.A. 5¼ 95 XW	0¼	99¼	99½	7/12	10	10.06
C.N.T. 5¼ 91	0¼	99	99¼	6/11	9¼	9.33
Credit Agricole 5¼ 97	0¼	99⅝	99¾	24/3	10.31	10.36
Credit Lyonnais 5¼ 94	0¼	99⅝	99⅞	5/1	10.31	10.36
Credit Lyonnais 5¼ 97	0⅛	99¼	99½	1/10	10.06	10.13
Credit Nat 5¼ 94	0¼	99⅜	99⅝	9/3	10¾	10.80
E.D.F. 5¼ 95 XW	0¼	99¾	100	10/2	11⅜	11.39
E.E.C. 5 90	0⅛	99⅞	100⅛	5/1	10.19	10.19
Kansallis Osake 5¼ 92	0¼	100⅝	100⅞	4/11	9⅞	9.80
Long Term Cred 5¼ 92	0⅛	100	100¼	27/11	9¾	9.74
J.P. Morgan 5¼ 97 S	0¼	100½	100¾	12/11	10.81	10.74
New Zealand 5¼ 87	0⅛	100⅜	100⅝	7/10	10.86	10.81
NZ Steel Dev 5¼ 92	0⅛	100⅛	100⅜	22/12	10¼	10.21
Nippon Credit 5⅛ 90	0⅛	100½	101	10/2	11¼	11.17
Soc Generale 5¼ 90 XW	0¼	99	99¼	9/11	9⅛	9.21
Société Générale 5¼ 95	0⅛	99⅝	99⅞	1/3	10.31	10.34
Sweden 5¼ 89	0¼	100¼	100½	26/2	10.19	10.15
Sweden 5¼ 93	0¼	100½	101	3/2	11.19	11.11

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	105⅛	106⅛	+1¼	3.91
Canon 7 97	7/82	748.2	234¼	236¼	−1	15.17
Daiwa Sec Co 5½ 98	10/83	508	97⅜	98⅜	+0⅞	5.01
Hitachi Cable 5¾ 96	2/82	515	109⅛	109⅝	+0⅞	3.80
Honda Motor 5¼ 98	6/83	884	108	109	+4	4.93
Honda Motor 5½ 97	3/83	759.8	122⅞	124⅞	+5	2.25
Kumagai Gumi 6½ 97	10/82	400	121	122½	+2¼	−4.14
Kyowa Hakko 6¼ 97	2/83	762	117¾	118¾	+0⅞	13.70
Minebea Co Ltd. 5½ 98	5/83	907	134⅛	135⅛	+0¾	−2.15
Mitsubishi Electric 5¼ 98	6/83	398	114	115	+1	3.42
Nippon Electric 5¼ 97	2/82	785.0	185⅛	187⅛	−1	2.76
Nippon Oil Co 5½ 98	4/83	864	125⅛	126⅛	+1⅜	0.35
Nissan Motor 5¾ 98	4/83	770	94¼	95¼	−0⅛	1.29
Olympus Optical 6¾ 97	12/82	1331	109¾	111	+3⅛	5.31
Orient Finance 5¼ 97	3/82	927.2	95⅝	97⅛	−0¾	1.57
Orient Leasing 5⅛ 98	6/83	2880	97⅛	98⅝	+1⅜	−2.97
Secom 5 98	11/83	2820	122⅞	124⅞	+0¾	2.28
Sumitomo Electric 5½ 97	3/82	577.3	115⅛	116⅝	+1⅜	2.44
Sumitomo Metal 5⅛ 96	10/81	296.1	76¼	77¾	+0¼	42.43
Yamaichi Sec Co 5 98	8/83	472	94½	96	+0⅛	−2.44
NEC Corp 3½ 93 SF	6/83	978	150⅛	152⅛	−1⅜	−2.33
Sanyo Electric 3½ 93 SF	5/83	581	106½	108½	+0¼	10.05
Konishiroku 6¾ 88 DM	6/82	616	119⅝	120⅝	−0⅛	−0.70
Mitsubishi Heavy 6 89 DM	2/82	263	115¼	116¼	+0¼	−0.02
Sam Realty 6¼ 92 DM	2/83	385	119½	120½	+2½	8.32

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cu. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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September 29, 1983

All of these securities have been sold. This announcement appears as a matter of record only.

NEW ISSUE — September 16, 1983

$120,000,000

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12⅛% Ten Year Notes of 1983, due October 1, 1993

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